The Bancroft Library

University of California • Berkeley

Regional Oral History Office
The Bancroft Library

University of California
Berkeley, California

Western Mining in the Twentieth Century Series

THE KNOXVILLE MINING DISTRICT, THE McLAUGHLIN GOLD MINE, NORTHERN CALIFORNIA, 1978-1995

Volume II

Anthony A. Cerar	MERCURY MINER, 1935 TO 1995
John P. Ceteras	ORGANIC FARMER IN YOLO COUNTY
Harry M. Conger	PRESIDENT, CHAIRMAN, AND CEO, HOMESTAKE MINING COMPANY, 1977 TO 1994
John Jay Corley	CHAIRMAN, NAPA COUNTY PLANNING COMMISSION, 1981 TO 1985
William H. Cornelison	SUPERINTENDENT OF SCHOOLS, LAKE COUNTY (Includes an interview with John A. Drummond, Lake County Schools Attorney)

With an Introduction by
Duane A. Smith

Interviews conducted by
Eleanor Swent
in 1994, 1995, and 1996

Copyright © 1998 by The Regents of the University of California

Since 1954 the Regional Oral History Office has been interviewing leading participants in or well-placed witnesses to major events in the development of Northern California, the West, and the Nation. Oral history is a method of collecting historical information through tape-recorded interviews between a narrator with firsthand knowledge of historically significant events and a well-informed interviewer, with the goal of preserving substantive additions to the historical record. The tape recording is transcribed, lightly edited for continuity and clarity, and reviewed by the interviewee. The corrected manuscript is indexed, bound with photographs and illustrative materials, and placed in The Bancroft Library at the University of California, Berkeley, and in other research collections for scholarly use. Because it is primary material, oral history is not intended to present the final, verified, or complete narrative of events. It is a spoken account, offered by the interviewee in response to questioning, and as such it is reflective, partisan, deeply involved, and irreplaceable.

****

This manuscript is made available for research purposes. All literary rights in the manuscript, including the right to publish, are reserved to The Bancroft Library of the University of California, Berkeley. No part of the manuscript may be quoted for publication without the written permission of the Director of The Bancroft Library of the University of California, Berkeley.

Requests for permission to quote for publication should be addressed to the Regional Oral History Office, 486 Library, University of California, Berkeley 94720, and should include identification of the specific passages to be quoted, anticipated use of the passages, and identification of the user.

It is recommended that this oral history be cited as follows:

To cite the volume: *The Knoxville Mining District, The McLaughlin Gold Mine, Northern California, 1978-1995, Volume II*, an oral history conducted in 1994, 1995, and 1996, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1998.

To cite an individual interview: [ex.] Anthony A. Cerar, "Mercury Miner, 1935 to 1995," an oral history conducted in 1995 by Eleanor Swent in *The Knoxville Mining District, The McLaughlin Gold Mine, Northern California, 1978-1995, Volume II*, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1998.

Copy no. 1

Cataloguing information

KNOXVILLE MINING DISTRICT, THE MCLAUGHLIN GOLD MINE, NORTHERN CALIFORNIA, 1978-1995, VOLUME II, 1998, xii, 347 pp.

Anthony A. Cerar (b. 1913), mercury miner, 1935-1995: La Joya, Knoxville, Mirabel, Oat Hill mines; WW II, Spanish miners in CA; mine safety, health hazards of mercury. John P. Ceteras (b. 1944), organic farmer, Yolo County: community opposition to McLaughlin Mine, Davis Creek Dam; member, technical review panel monitoring water quality. Conger, Harry M. (b. 1930), mining engineer: Asarco, Silver Bell, AZ, 1955-1964; Kaiser Steel Co., Eagle Mt., CA, 1964-1970, early environmental concerns, water quality monitoring; Kaiser Resources, Balmer, BC, 1970-1973, dealing with Mitsubishi Trading Co.; Consolidation Coal Co., 1973-1975; vice president, president, director, chairman and CEO, Homestake Mining Co., 1975-1996; environmental policy, corporate restructuring, McLaughlin Mine discovery and development, World Gold Council. John Jay Corley (b. 1931), chairman, Napa County planning commission, 1981-1984: permitting McLaughlin Mine. William Cornelison (b. 1936), schools superintendent: Middletown, CA, 1979-1986, impact of Geysers geothermal project; Konocti district, 1986-1994, impact of McLaughlin Mine; Lake County, 1994-present, socio-economic changes; John Drummond (b. 1944), schools attorney: negotiations to mitigate McLaughlin Mine impact.

Introduction by Duane Smith, Professor of History and Southwest Studies, Ft. Lewis College, Durango, CO.

Interviews conducted by Eleanor Swent in 1994, 1995, and 1996 for the Western Mining in the Twentieth Century Oral History Series. Regional Oral History Office, The Bancroft Library, University of California, Berkeley.

DONORS TO
THE KNOXVILLE DISTRICT/McLAUGHLIN MINE PROJECT OF
THE WESTERN MINING IN THE TWENTIETH CENTURY ORAL HISTORY SERIES
1993-1997

The Regional Oral History Office, on behalf of future researchers, would like to express its thanks to the following corporations, organizations, and individuals whose encouragement and support have made possible this oral history proejct of the Knoxville District/McLaughlin Mine.

Corporations and Organizations

Bechtel Foundation
Chemstar Lime Company
The Gamble Foundation
The Hearst Foundation, Inc.
Homestake Mining Company
Mining and Metallurgical Society of America
One Shot Mining Company

Individuals

Anonymous, in memory of Donald Delicate
Anonymous, in memory of Robert S. Livermore
Christine W. S. Byrd, in memory of Langan W. Swent
Kenneth S. Canfield
Rosemary and Harry Conger
Douglas W. and Margaret P. Fuerstenau
Launce E. Gamble
James and Virginia Hickey
William A. Humphrey
James Jensen
Kritikos Family, in memory of William Kritikos
John S. Livermore
Roger A. Madsen
Sylvia C. Mclaughlin
Marion Onstad
Eleanor Swent, in memory of Langan Swent
Jack Thompson
and
The J. Ward Downey Bequest Fund

TABLE OF CONTENTS--The Knoxville Mining District, the McLaughlin Gold Mine, Northern California, 1978-1995, Volume II

INTRODUCTION by Duane A. Smith i

PROJECT HISTORY iii

INTERVIEW WITH ANTHONY CERAR, MERCURY MINER ix
CONTENTS x
INTERVIEW HISTORY xi

Growing Up at Oat Hill and St. Helena, 1913-1935 1
The Family Ranch and Orchard 2
Working at La Joya Mine for Fred Bachich and Morgan North, 1935 4
A Gould Furnace Dating from 1929 at La Joya Mine 5
A Tunnel, a Drift, and a 60-foot Winze 5
Working at the Mirabel Mine for Fred Bachich 8
Morgan North: Hard to Deal With 9
A Partnership Interest at the Helen Mine 10
The Mirabel: One of the Oldest and Best Mines in the District 11
The Introduction of Social Security, 1937 12
The Fallibility of Bureau of Mines Reports 13
Working at the Oat Hill Mine, a Large Cinnabar Mine in Sandstone, about 1938 15
Square-set Mining and Dry Drilling 18
Back to La Joya in Partnership with Fred Bachich 22
The Klau Furnace: Mismanaged and Dangerous 26
Sad Stories of Immigrant Workers from Europe 27
The Demand for a Lot of Wood 29
The Helen Mine, 1939: Decomposed Basalt and a Retort 30
Curt Schuette, America's Foremost Authority on Quicksilver Mining and Metallurgy 32
A Sirocco-Type Dust Collector at the Red Elephant Mine 33
The Palisades Mine: Very Rich Silver Ore 34
Working at the Abbott Mine; First Time to Quit a Mine Job 35
Gould's Spanish Miners and World War II 37
The Bella Oak Mine West of Napa Valley 38
Prospecting for Manganese in Round Valley 39
The Knoxville Mine, 1945: The Best Deal 40
George Gamble, a Nice Person and a Hard Worker; Dredging the Creek 41
The Gamble Meat House 43
Monticello Valley Recalled 45
The Reed Mine and a Labor Shortage 45
A Theft of Mercury Flasks from the Oat Hill 47
Brief Stints at a Number of Mines 49
Holding the Lease on La Joya; Insurance Requirements 50
Recollections of the Manhattan Mine 52
The Manzanita Mine: Nuggets of Cinnabar and Gold 54
Methods of Concentrating Cinnabar 54
Homestake's Secretive Drilling Program and Overwhelming Expertise 56
Working at the Geysers Geothermal Project 57

INTERVIEW WITH JOHN CETERAS, ORGANIC FARMER IN YOLO COUNTY 60
CONTENTS 61
INTERVIEW HISTORY 62
BIOGRAPHICAL INFORMATION 63
Growing Up Near Youngstown, Ohio, 1944-1970 64
The Capay Valley Since 1974, and Organic Farming 66
Son, Noah Ceteras 68
Chairman of the Capay Valley General Plan Committee 70
President, Rumsey Water Users Association 75
An Early Tour of the Mine Site at Homestake's Invitation 77
An Introductory Meeting at the Guinda Grange Hall 79
Professor Will Baker 82
Dr. Robert Speirs, Immunologist 83
The Issue of Mercury Contamination in Davis Creek 83
The Fight to Get Fish Introduced into the Davis Creek Reservoir 85
Delaying the Permitting; Three Counties Divided and Conquered 87
The Effort to Get the Williamson Act Amendment on the Ballot 91
Member of the Technical Review Panel 93
A Change of Analytical Labs Causes Problems 98
The Reed Mine Cleanup 100
Sierra Club Involvement 102
Politics and the Technical Review Committee 104
Looking 500 Years Down the Road 107

INTERVIEW WITH HARRY M. CONGER, PRESIDENT, CHAIRMAN, AND CEO, HOMESTAKE MINING COMPANY, 1977 TO 1994 116
CONTENTS 117
INTERVIEW HISTORY 119
BIOGRAPHICAL INFORMATION 119b
I CHILDHOOD AND EDUCATION 120
Lessons of the Depression 120
Marriage to Phyllis Shepherd and Attending University of Washington 121
Studies at Colorado School of Mines 121

II A MINING ENGINEER WITH ASARCO, 1955-1964 125
The Silver Bell Mine, Arizona 125
Service as a Lieutenent in the Army Reserve 125
Shift Boss at the Open-Pit Copper Mine 126
Learning Management Skills 126
Stable Labor Relations 127
Developing Larger Earth Moving Equipment and Rotary Drills 129
Perfecting Better and Cheaper Explosives 130
Improving Detonating Cord 131

III WORKING FOR KAISER STEEL COMPANY 134
Eagle Mountain Iron Mine 134
Trouble with Labor Unions 136
Serving on the School Board; Learning Community Management 137
Mine Foreman; Two Kinds of Ore for an Integrated Operation 138
Applying Taconite Separation Research Observed in College 139
Mine Superintendent; Assistant Manager; Learning the Processing Side 140

Developing 100-Ton Tractor-Trailer Trucks and Hydraulic Shovels 141
Early Environmental Concerns; Maintaining Water Quality 142

IV KAISER RESOURCES, LIMITED, 1970-1973 146
Mining Metallurgical Coal in British Columbia 146
A Major Flaw in the Mining Plan 147
Vice President of Operations, to Straighten Out the Mess 149
Problems with the Processing Plant 151
Eight Trips to Japan to Explain the Situation 152
Personnel Changes; Hiring More Canadians 153
A Disastrous Visit by the Japanese Coal Expert 154
More Bad Luck: A Fire in the Washing Plant 155
A Major Mistake with Stock Gifts to Officers 156
Decision to Leave Kaiser 158
Hydraulic Mining with Japanese Miners 159
Cleaning Up the Water: Increasingly Stringent Regulations 160

V CONSOLIDATION COAL COMPANY, 1973-1975 162
Vice President and General Manager of a Division 162
A Planned Management Reorganization 164
Job Offer from Homestake 164

VI HOMESTAKE MINING COMPANY, 1975-1978 166
Vice President of the Base Metals Unit 166
President and Chief Operating Officer, 1977 169
Stanford University "Charm School" 170
Another Consultant and Changing Strategy 171
Exploration Program to Reaffirm a Premier Gold Mining Company 173
A Sampling Mistake at Cherry Hill, California 174

VIII THE MANHATTAN MINE DISCOVERY 177
Don Gustafson, Bill Wilder, Bill Casburn 177
Nervousness about Land Acquisition 179
Making the Announcement, 28 August 1980 180
Strengthening the Organization: Bill Humphrey, Jack Thompson 182
The Board of Directors 183
High Noncash Charges Result in a High-Cost Mine 186
Unexpected Cost of Dams 190

IX THE McLAUGHLIN PROJECT, 1980-1994 192
Autoclaving Gold Ores: Developing a New Process 192
Jack Thompson and the Community Relations Effort 193
Ray Krauss and Reclamation Plans 195
Recollection of Donald McLaughlin 198
The World Gold Council 203
Homestake Does Not Hedge or Sell Gold Forward 207
New Alternatives in Investing in Gold 209

INTERVIEW WITH JAY CORLEY, CHAIRMAN, NAPA COUNTY PLANNING COMMISSION, 1981 TO 1985 212
CONTENTS 213
INTERVIEW HISTORY 214
BIOGRAPHICAL INFORMATION 215
I CAREER BEFORE COMING TO NAPA VALLEY 216
Education in Illinois, Michigan, and at Stanford 216
Running Businesses; Enjoying Food and Wine 218
Memories of Grandfather's Illinois Farm 220

II NAPA VALLEY SINCE THE 1960S 221
Establishing Monticello Vineyard and Winery in 1970 221
Upper Napa Valley Association, UNVA 224
Haberger, Hackett, Hickey, and Hamilton: the 4-H Club 227
Chairman of the Napa County Planning Commission, 1981-1985 228
Lead Agency for Permitting the McLaughlin Mine 236
The Public Hearings and Nervous Non-Technical People 239
The *Napa Register* a Fair Reporter 246
Jim Hickey's Outstanding Job 248
The Phylloxera Problem in the Vineyards 250
The Governmental Process Worked Fairly for All Parties 255

INTERVIEW WITH WILLIAM CORNELISON, SUPERINTENDENT OF SCHOOLS, LAKE COUNTY 257
CONTENTS 258
INTERVIEW HISTORY 259
BIOGRAPHICAL INFORMATION 260
I EXPERIENCE BEFORE COMING TO LAKE COUNTY 261
Education in Southern California 261
Principal of the Vacaville, California, High School 262

II MIDDLETOWN, CALIFORNIA, 1979 to 1986 264
Superintendent and High School Principal 264
Forming Middletown Merchants Association 265
Hidden Valley Subdivision 265
The Impact of the Geysers Geothermal Steam Development 266

III JOHN DRUMMOND, LAKE COUNTY SCHOOLS ATTORNEY 272
Homestake's Mitigation Agreement with the Schools 272
Jack Thompson's Skill at Getting Community Support 273

IV SUPERINTENDENT OF THE KONOCTI SCHOOL DISTRICT, 1986 TO 1994 280
No Noticeable Negative Impacts from the McLaughlin Mine 280
More Parental Support for the Schools 283
The Parker Family, Very Supportive 284
Homestake Funded a Program to Increase Parent Involvement 287
Why People Like to Live in Lake County 291
Bill Wilder, Friend of the Schools and Lake County 297

TAPE GUIDE 301

APPENDIX

A ANTHONY CERAR

1. Photograph of the "Meat House" at Knoxville, from the Sacramento Bee, April 3, 1983 302
2. Excerpt from Mercury Potential of the United States, U.S. Department of the Interior, Bureau of Mines, Information Circular 8252 303

B JOHN CETERAS

1. "Yolo planners agree to delay gold mine," Woodland Daily Democrat, April 21, 1983 305
2. "Napa planners delay Homestake EIR," Clear Lake Observer, April 28, 1983 306

C HARRY CONGER

1. "$1.5 Billion Napa Gold Bonanza," San Francisco Chronicle, May 13, 1981 308
2. "Gold Nuggets," flier from The Gold Institute 309
3. "A Special Recognition to Harry M. Conger, Chairman and Chief Executive Officer," from Homestake Mining Company's 1995 Environment, Health and Safety Report 310

D JAY CORLEY

Report on Permitting, from Davy McKee 311

E WILLIAM CORNELISON

1. Report on Lake County, from Dames & Moore 328
2. Report on Community Service Impacts, from D'Appollonia 331

F WESTERN MINING IN THE TWENTIETH CENTURY 334

INDEX 342

INTRODUCTION TO KNOXVILLE by Duane A. Smith

Imagine, if you would, what it would be like to have a series of interviews from people of all walks of life from a nineteenth century mining town and district--for example, a Fiddletown, California; a Silver City, Idaho; or a Caribou, Colorado. Would it not be exciting to "hear" first hand the stories of miners, store owners, lawyers, teachers, and a variety of other folks that make up the mining West?

Such a series of interviews would be the perfect answer to the Roman statesman, orator, and philosopher, Marcus Tullius Cicero, who observed more than 2,000 years ago: "History is the witness that testifies to the passing of time; it illuminates reality, vitalizes memory, provides guidance in daily life, and brings us tidings of antiquity." Imagine, then, what the Knoxville/McLaughlin oral history project is going to mean to future generations.

The Knoxville, California, mining district has a long mining history. It started in the 1860s with mercury mining and continued into the 1990s with Homestake Mining Company's McLaughlin gold mine. Under the guidance of Eleanor Swent, and as part of the Regional Oral History Office's Western Mining in the Twentieth Century series, a comprehensive oral history project of this mining district was launched in 1993. These fascinating and significant volumes are the finished projects.

While obviously impossible to go back beyond the turn of the century, interviews were conducted with miners, ranchers, journalists, teachers, and merchants who were in the district before the arrival of Homestake. The words of these people provide an exciting look at a district in transition and decline. Then came Homestake and their world changed.

Some gold mines had been operated here in the nineteenth and twentieth centuries, but they were nothing like what occurred when a major mining company became interested. Homestake's geologists found enough gold to warrant development. The concept would be an open pit mine and mill that would impact Napa, Lake, and Yolo Counties in northern California for a generation and provide for the future.

Five and one-half years went into planning for the McLaughlin gold mine, including 327 approvals needed for the mine's development. Not only were some mining ideas new and ground breaking, but the operation was sitting in one of the most environmentally aware states in the country. Homestake spent over $283 million in start-up costs, before mining commenced in March 1985. The first year's production of 83,836 ounces of gold showed that the planning and work had been worthwhile from a dollars-and-cents aspect. Homestake was proud of its operation.

"The McLaughlin mine is the site of the first successful commercial application of the autoclave processing technology for extracting gold from ores. The operation began production in 1985 and is a showcase for environmental responsibility."

Homestake would continue to mine the pit into 1996 when mining ceased, except for processing previously stockpiled lower-grade ore to be worked for approximately another eight years, "using a conventional direct cyanide leach process." Reclamation, which has been conducted simultaneously with mining, would also continue into the next century. As Homestake's annual report in 1995 stated, "Reclamation of mine waste dumps is scheduled for completion in the latter part of 1996 with the final placement of top soil and hydroseeding. The planting of oak trees and other indigenous vegetation will continue seasonally until the area is completely reclaimed."

All this makes the oral history project that much more exciting; it was conducted while the district still operated and memories were fresh and riveted on a host of topics and concerns. This multi-volume series covers almost every conceivable aspect and impact--it is a monument to a refreshing, innovative way of approaching mining history.

These volumes provide a case study of twentieth century mining, environmental issues, and regional concerns, the successes, failures, tensions, and developments that go to make up a 1980s and 1990s mining operation and the people involved from all walks of life. They are a gold mine of primary documentation and personal memories of an era that is passing into history. A perusal of the table of contents will give the reader an idea, but the interviews need to be "assayed" carefully to grasp the whole story of what went on at the McLaughlin mine and why its impact was so significant. This is a "high grade" effort all the way.

Cicero would be proud. These volumes do illuminate reality, vitalize memory, and provide guidance in daily life. Without question, they testify to the passing of time and will eventually bring "us the tidings of antiquity."

Duane A. Smith
Professor of History and
Southwest Studies

September 1997
Fort Lewis College
Durango, Colorado

PROJECT HISTORY--Knoxville District/McLaughlin Mine Oral History Project

The development of the McLaughlin gold mine in the Knoxville District of Napa, Lake, and Yolo Counties in California in the last quarter of the twentieth century was a historically significant event. The mines of the district had been major producers of mercury since 1861. In 1888 an official report by G. F. Becker on the quicksilver deposits mentioned the presence of free gold which could be obtained by panning. It took almost a century before this knowledge could be acted upon when Homestake Mining Company signed an agreement with James William Wilder, owner of the Manhattan Mine, in 1978.

Advisors to the oral history series on Western Mining in the Twentieth Century[1] who were also Homestake directors, Professor Douglas Fuerstenau, principal faculty advisor, Clifford Heimbucher, and John Kiely, all urged the Knoxville/McLaughlin oral history project, as did advisor Sylvia McLaughlin, widow of the Homestake chairman for whom the mine was named. It was decided it should be a community oral history, in contrast to the previous volumes in the series which documented individual careers.

The five historically important aspects are: the history of the Knoxville mercury mining district, with its periodic booms and busts; the effects of a large industrial development and influx of technically trained workers in an economically depressed rural area; the efforts to obtain permits to develop a mine near a center of environmental activism; the continuous pressure oxidation system which was pioneered at the McLaughlin processing plant; the reclamation of the mine site. The life of the McLaughlin mine was projected to be about twenty years, and most of the key players were available for interviews. It is a nearly unique opportunity to document the discovery, development, and closing down of a mine while it is happening.

The history of the Knoxville District begins in 1861 with the incorporation of the Redington quicksilver mine, also known as the XLCR or Knoxville mine, then employing as many as 300 men. The town of Knoxville had thirty or more buildings, including a store, hotel, postoffice, Wells Fargo office, school, and cemetery. In 1872 the state legislature transferred prosperous Knoxville Township from Lake County to Napa County, although it is separated from the Napa Valley by mountain escarpments. Lake County was compensated with a one-time payment of $3500.

---

[1] Information on the Western Mining in the Twentieth Century oral history series appears in Appendix F, page 334.

In 1869 Knox and Osborne opened the Manhattan Mine on the same lode as the Redington. The Oat Hill or Napa Consolidated Mine was opened in 1872. A report on the metallurgy of quicksilver issued by the Department of the Interior in 1925 says, "In 1874, the Knox continuous shaft-furnace for the treatment of both fine and coarse ores was first used in California." [Bulletin 222, p. 5] The Knox-Osborne design was further augmented by a fine-ore natural-draft furnace developed by mine superintendent Charles Livermore. The district prospered until 1905, for a decade around World War I, and from 1927-1936. Demand for mercury rose during wartime because it was used as a detonator for explosives.

Knoxville was linked by road through Sulphur Canyon with the town of Monticello in fertile Berryessa Valley. Farmers descended from early Scots settlers grew pears, prunes, wheat, and barley and occasionally worked in the mercury mines. After World War II, when California's population was growing rapidly, a dam was built which by 1956 flooded the valley to create Lake Berryessa. It attracted vacationers, and for most of them it was the end of the line. The unpaved road from Lake Berryessa to Knoxville was impassable when rains filled the creek bed. In the other direction, from Knoxville to Clearlake, there was a similar little-used road through Morgan Valley.

Although it is only a few miles from the densely populated San Francisco Bay Area, in 1978 Knoxville township had few telephones, surfaced roads, or bridges. Populated by ranchers, miners, seasonal hunters, and outlaws, it was one of the most economically depressed regions in California, with high unemployment. In 1991, Napa historian Robert McKenzie called it "truly the last frontier of Napa County."

The chronology of the McLaughlin Mine is as follows: in 1961, following publication of a Professional Paper by USGS geologist Ralph J. Roberts, Newmont geologists John S. Livermore and J. Alan Coope found a major deposit of micron-sized gold on the Carlin trend in Nevada. It was economic to mine because of technological advances in explosives and earth-moving equipment, and development of new methods such as heap-leaching for recovery of gold from ore. This led other mining companies to search for similar deposits of "invisible" gold.

In 1969, the National Environmental Protection Act was passed, followed in 1970 by the California Environmental Quality Act.

In the 1970s, "Bill" Wilder, principal of the One Shot Mining Company, was reclaiming batteries for Mallory Company in the furnaces at the Manhattan mercury mine. Environmental concerns had made mercury mining unprofitable, so Wilder was crushing the beautiful colored rock on his property and selling it as decorative stone. An assay from several years before had showed gold was there, but at that time mercury at $75 a flask was more valuable than gold at $35 an ounce, the official price from January 1934, when the United States went off the gold standard, until 15 March 1968.

In August 1971, President Richard Nixon terminated the convertibility of the dollar into gold, and the price climbed to $800 an ounce in 1980. In 1977, Homestake Mining Company underwent a restructuring and embarked on a program to find a world-class gold mine. Their search revealed geology reports in their files from the 1920s which encouraged exploration at hot springs near the Knoxville mercury mining district of northern California. In 1978 Donald Gustafson, Homestake geologist, visited the Manhattan Mine at the place where Napa, Yolo, and Lake Counties meet. A drilling program revealed an epithermal gold deposit which at this juncture remains unique; no extension or replica has been found in the Great Valley geologic sequence or the Coast Range thrust which were exposed at McLaughlin.

Mining companies are familiar with developing mines in remote and rugged locations, with the attendant logistical problems. In this case, there was the further challenge of obtaining permits to develop a mine in the jurisdiction of three counties, regional and state water quality districts, three regional air quality districts, various state agencies, and the Bureau of Land Management. It took more than five years and cost millions of dollars to secure the 327 required permits which made a stack of paper more than eight feet high. In addition, the ore itself was finely disseminated, fairly low grade, and as it turned out, highly refractory. Traditional methods of beneficiation were ruled out by environmental concerns, so Homestake metallurgists developed a high pressure oxidation system, incorporating technology from South Africa, Germany, Canada, and Finland, which has now been widely copied.

The eventual design was for a mine pit with adjacent crushing plant and a five-mile pipeline to conduct slurry to a zero-discharge processing plant using a variety of technologies, including autoclaves. Reclamation in the mine and on dumps began almost immediately, and at the end of the mine's life, it will be a part of the Nature Reserve system of the University of California, for research by scholars at both the Berkeley and Davis campuses.

In 1991, the Regional Oral History Office began to explore possibilities for funding the Knoxville/McLaughlin oral history. A four-year project was outlined to include about thirty-five interviews averaging three hours each, for a total cost of $100,000, resulting in a set of volumes covering the mercury mining, the gold mining, and the resulting changes in the surrounding community. The Hearst Foundation granted $20,000 to document the gold mine, and the Mining and Metallurgical Society of America gave $6,000 to document the earlier mercury mining. Homestake and Chemical Lime Company each donated $2,000, which enabled interviewing to begin in March, 1993.

The best laid plans, however, can be changed by circumstances beyond control. One of the first names on the list of interviewees was John Ransone, Homestake's construction project director. He sent helpful background documents in preparation for a scheduled interview; however, before it could be held he died of lung cancer. The project manager for the construction company, Klaus Thiel, in the meantime had been assigned to work in Brisbane, Australia, so he could not be interviewed. Several of the other Homestake people had scattered: James Anderson to Denver, Jack Thompson and John Turney to British Columbia, David Crouch to Salt Lake City, Donald Gustafson to jobs in Namibia and Kazakhstan, Joseph Strapko to Maine. William Humphrey and Richard Stoehr both underwent major surgery. Nevertheless, interviews were conducted with these and others involved in the development and operation of the mine.

Although similar difficulties occurred on the list of community leaders, by 1996 interviews had been conducted with a county supervisor from each of the three counties involved, Napa County planners, the Lake County school superintendent, community historians and pioneers, merchants, and ranchers. Some of the most vocal opponents of the mine were also interviewed.

There is a perception that the former mercury miners are all dead, killed by mercury poisoning. In fact, Dean Enderlin, a geologist at the McLaughlin Mine and also a Napa County native and historian, helped to locate some who were remarkably healthy, and who were interviewed. Elmer Enderlin in his eighties spends summers working at his tungsten prospect in Idaho and winters in Lower Lake. Anthony Cerar, also in his eighties, at the time of interviewing still actively maintained several historic mercury mines, including La Joya and Corona. William Kritikos, operator of the Oat Hill Mine, was nearly seventy-three when he died following a stroke, but was in good health at the time of his interview. Ed McGinnis, who worked around the Reed Mine as a boy, is still active in his seventies. Bill Wilder, who owned the Manhattan Mine, is a relative youngster in his seventies and in good health in Upper Lake.

The project comprises forty-three interviews in all. Two of the interviews were completed as separate volumes in 1996: William A. Humphrey, Mining Operations and Engineering Executive for Anaconda, Newmont, Homestake, 1950-1995, and James William Wilder, Owner of One Shot Mining Company and Manhattan Mercury Mine, 1965-1981. They are bound individually. Subsequent oral histories in the project will be bound into volumes containing more than one interview, arranged in alphabetical order. Supplementary documents are included as appropriate; Volume I contains general information. It is expected that researchers will refer to the entire set for a comprehensive account of the McLaughlin Mine. The oral history of Langan Swent, Working for Safety and Health in Underground Mines: San Luis and Homestake Mining

Companies, 1946-1988, completed in 1995, not part of the project, also contains relevant information.

We are grateful to all of the interviewees for their participation. There are many others who have helped also. Homestake Mining Company has supported the project not only with funds, but also in lending the Regional Oral History Office a computer and printer, and making available for research the archival video tapes and files of newspaper clippings and news releases, as well as the environmental studies, the environmental impact report, and the environmental impact statement. Early on, a day tour of the property and box lunch were provided for a van load of ROHO staff, interested students, and faculty from the University of California at Berkeley. The conference room at the mine and the San Francisco offices at 650 California Street have been used for interviewing.

James Jensen made available his extensive files on mercury mining and processing and mercury poisoning. Anthony Cerar led a vigorous hike around the Knoxville mine site, identifying foundations of long-gone buildings and workings. John Livermore conducted a tour by jeep of the Knoxville district, and suggested the importance of the Morgan North papers at The Bancroft Library. Staff members gave help at the Napa Register, the Napa Museum, the Sharpsteen Museum in Calistoga, and the Lake County Museums in Lower Lake and Lakeport. Professor Duane Smith, mining historian at Ft. Lewis College, Durango, Colorado, wrote an introduction for the first volume of multiple interviews. Professor Greg Wheeler of Sacramento State University has given valuable advice, and staff members of the California Division of Mines and Geology Les Youngs, Ron Churchill, and Kathleen Twomey have provided photos and graphs.

The tapes of all the interviews are available for study at The Bancroft Library. The completed volumes will be available at The Bancroft Library and in the Special Collections at UCLA.

Eleanor Swent, Project Director
Knoxville District/McLaughlin Mine
Oral History Project

February 1998
Regional Oral History Office
The Bacroft Library
University of California, Berkeley

Knoxville District/McLaughlin Mine Oral History Project

William Humphrey, *Mining Operations and Engineering Executive for Anaconda, Newmont, Homestake, 1950 to 1995*, 1996

William Wilder, *Owner of One Shot Mining Company: Manhattan Mercury Mine, 1965-1981*, 1996

The Knoxville Mining District, The McLaughlin Gold Mine, Northern California, 1978-1995, Volume I, 1998
- Anderson, James, "Homestake Vice President-Exploration"
- Baker, Will, "Citizen Activist, Yolo County"
- Birdsey, Norman, "Metallurgical Technician, McLaughlin Process Plant"
- Bledsoe, Brice, "Director, Solano Irrigation District"

The Knoxville Mining District, The McLaughlin Gold Mine, Northern California, 1978-1995, Volume II, 1998
- Cerar, Anthony, "Mercury Miner, 1935-1995"
- Ceteras, John, "Organic Farmer, Yolo County"
- Conger, Harry, "President, Chairman, and CEO, Homestake Mining Company, 1977 to 1994"
- Corley, John Jay, "Chairman, Napa County Planning Commission, 1981 to 1985"
- Cornelison, William, "Superintendent of Schools, Lake County" (Includes an interview with John A. Drummond, Lake County Schools Attorney)

Interviews in Process:

Crouch, David, "Homestake Corporate Manager-Environmental Affairs"
Enderlin, Elmer, "Miner in Fifty-Two Mines"
Fuller, Claire, "Fuller's Superette Market, Lower Lake"
Goldstein, Dennis, "Homestake Corporate Lawyer"
Guinivere, Rex, "Homestake Vice President-Engineering"
Gustafson, Donald, "Homestake Exploration Geologist"
Hanchett, Bonnie, "Owner and Editor, Clearlake Observer"
Hickey, James, "Director, Napa County Planning Department"
Jago, Irene, "Lower Lake High School Teacher"
Jonas, James, "Bulk Fuel Plant Owner, Lower Lake"
Koontz, Dolora, "Environmental Engineer, McLaughlin Mine"
Krauss, Raymond, "Environmental Manager, McLaughlin Mine"
Kritikos, William, "Operator, Oat Hill Mine"
Landman, John, "Rancher, Morgan Valley"
Lyons, Roberta, "Journalist and Environmentalist"
Madsen, Roger, "Homestake Mechanical Engineer"
Magoon, Beverly, "Merchant and Craft Instructor, Lower Lake"
McGinnis, Edward, "Worker at the Reed Mine"
McKenzie, Robert, "Photographer and Local Historian, Napa County"
Moscowite, Harold, "County Supervisor, Napa County"

Onstad, Marion, "Morgan Valley Rancher, Homestake Secretary"
Parker, Ronald, "General Manager, McLaughlin Mine, 1988-1994"
Purtell, Patrick, "General Manager, McLaughlin Mine, 1994"
Stoehr, Richard, "Homestake Vice President and Director"
Strapko, Joseph, "Homestake Field Geologist"
Thompson, Jack, "General Manager, McLaughlin Mine, 1981-1988"
Thompson, Twyla, "County Supervisor, Yolo County"
Tindell, Avery, "Capay Valley Environmentalist"
Turney, John, "McLaughlin Metallurgist: Pioneering Autoclaving for Gold"
Underwood, Della, "Knoxville Rancher, McLaughlin Mine Surveyor"
Wilcox, Walter, "County Supervisor, Lake County"

Regional Oral History Office
The Bancroft Library

University of California
Berkeley, California

Western Mining in the Twentieth Century Series
Knoxville/McLaughlin Project

Anthony A. Cerar

MERCURY MINER, 1935 TO 1995

Interview Conducted by
Eleanor Swent
in 1995

Copyright © 1998 by The Regents of the University of California

Anthony A. Cerar, Oat Hill Mine Road, 1997.

TABLE OF CONTENTS--Anthony Cerar

INTERVIEW HISTORY xi
Growing Up at Oat Hill and St. Helena, 1913-1935 1
The Family Ranch and Orchard 2
Working at La Joya Mine for Fred Bachich and Morgan North, 1935 4
A Gould Furnace Dating from 1929 at La Joya Mine 5
A Tunnel, a Drift, and a 60-foot Winze 5
Working at the Mirabel Mine for Fred Bachich 8
Morgan North: Hard to Deal With 9
A Partnership Interest at the Helen Mine 10
The Mirabel: One of the Oldest and Best Mines in the District 11
The Introduction of Social Security, 1937 12
The Fallibility of Bureau of Mines Reports 13
Working at the Oat Hill Mine, a Large Cinnabar Mine in Sandstone, about 1938 15
Square-set Mining and Dry Drilling 18
Back to La Joya in Partnership with Fred Bachich 22
The Klau Furnace: Mismanaged and Dangerous 26
Sad Stories of Immigrant Workers from Europe 27
The Demand for a Lot of Wood 29
The Helen Mine, 1939: Decomposed Basalt and a Retort 30
Curt Schuette, America's Foremost Authority on Quicksilver Mining and Metallurgy 32
A Sirocco-Type Dust Collector at the Red Elephant Mine 33
The Palisades Mine: Very Rich Silver Ore 34
Working at the Abbott Mine; First Time to Quit a Mine Job 35
Gould's Spanish Miners and World War II 37
The Bella Oak Mine West of Napa Valley 38
Prospecting for Manganese in Round Valley 39
The Knoxville Mine, 1945: The Best Deal 40
George Gamble, a Nice Person and a Hard Worker; Dredging the Creek 41
The Gamble Meat House 43
Monticello Valley Recalled 45
The Reed Mine and a Labor Shortage 45
A Theft of Mercury Flasks from the Oat Hill 47
Brief Stints at a Number of Mines 49
Holding the Lease on La Joya; Insurance Requirements 50
Recollections of the Manhattan Mine 52
The Manzanita Mine: Nuggets of Cinnabar and Gold 54
Methods of Concentrating Cinnabar 54
Homestake's Secretive Drilling Program and Overwhelming Expertise 56
Working at the Geysers Geothermal Project 57

INTERVIEW HISTORY--Anthony A. Cerar

Anthony Cerar was recommended by both Dean Enderlin and John Livermore as an experienced and knowledgeable mercury miner. He lives in the remote geysers area between Sonoma and Lake Counties; because he is very hard of hearing, telephone communication is difficult and I enlisted the help of his sister Theresa Corallo in St. Helena in order to arrange to meet him on the morning of 15 May 1995 at the security gate to the McLaughlin Mine on Morgan Valley Road in Lake County. At the age of eighty-one, he stood straight and tall, with bright blue eyes and a cheerful, confident bearing.

Our goal was to tour the site of Knoxville, farther down the road. On the way we passed a sign announcing the county line, a reminder that in 1872 the lines were re-drawn, defying all logic of geography, to move the rich Knoxville Mine from Lake County to the more politically powerful Napa County.

Cerar and two partners leased the Knoxville Mine in 1945 and reworked the dumps for mercury for about two and a half years, in what he describes in his oral history as "the best deal I ever had". For several hours we hiked around the Knoxville property, evoking the memory of the enterprise as he pointed out with a keen eye and memory the locations of long-gone buildings: the superintendent's house, the school, the store, the furnace; and the workings of the mine itself.

Although we failed to locate the old cemetery above the town, it was a beautiful climb to the hilltop to search for it; because of the heavy rains that year, the grass was knee-high, and there were masses of wild flowers. It was easy to believe that life here had been very good in the days of prosperous mercury mining, beginning in the 1860s and continuing periodically for a century.

We had planned to conduct the interview at the McLaughlin office, but by the time we returned there, it was closing for the day so we made arrangements to meet the following day at the home of my friends Cheryl and Calvin Knickerbocker in Calistoga. There we interviewed for three hours on 16 May 1995.

Cerar at first declined to sign the usual Regional Oral History Office letter of consent for an interview, but after we met he agreed to participate in the project. Although he is leery of anything that smacks of legal proceedings, he generously shares his extensive knowledge of mercury mines and the history of the Knoxville District with an appreciative listener. He recalled working in many mines of the district, both as an independent leaser and as partner or employee. At the time of the interview, he still held some mine leases.

The tapes of the interview were transcribed in the Regional Oral History Office, lightly edited, and sent to Cerar for review. He made corrections of spelling and fact (changing "west" to "southwest" and "job" to "lease", for example), added information about the Oat Hill and Knoxville mines, and returned the transcript promptly. The manuscript was corrected and indexed at our office. The tapes are deposited in The Bancroft Library and are available for study.

Two years after the interview, on 8 November 1997, the day after Cerar's eighty-fourth birthday, I had the privilege of going with him and John Livermore to inspect the Corona minesite, formerly leased by Cerar and now undergoing reclamation by Livermore. He identified with remarkable precision old sites now nearly totally obliterated: the dance hall, the saloon, the barn, and the superintendent's house, where he accurately predicted we would find a fig tree. He found a hitching post lying under leaves exactly where he recalled it. From small remnants of pipe or equipment, he can mentally reconstruct the entire operation at its various periods. He is also the most knowledgeable source of information about the Oat Hill Mine, whose records have been largely lost in fires. He grew up on the farm of his Clausen grandparents, and walked 3.5 miles (7 miles round trip each day) to the Oat Hill school for his elementary education, passing by the Twin Peaks and Corona mines on his way. Nearly eighty years later, he still climbed around a mine site with astonishing agility.

The Antony Cerar interview is one of more than forty interviews which were conducted by the Regional Oral History Office from 1993-1997 in order to document the development of the McLaughlin gold mine in the Knoxville District of Lake, Napa, and Yolo Counties, California, from 1978-1996, as part of the ongoing oral history series devoted to Western Mining in the Twentieth Century. The Regional Oral History Office was established in 1954 to record the lives of persons who have contributed significantly to the history of California and the West. The office is a division of The Bancroft Library and is under the direction of Willa K. Baum.

Eleanor Swent
Project Director, Research Interviewer/Editor

Regional Oral History Office
The Bancroft Library
January 1998

ANTHONY CERAR, MERCURY MINER

[Date of Interview: May 16, 1995]##[1]

Growing Up At Oat Hill and St. Helena, 1913-1935

Swent: Tony, to begin, will you tell where and when you were born?

Cerar: I was born in San Francisco in 1913, on November 7.

Swent: Did you live in San Francisco very long?

Cerar: Not very long.

Swent: What were your parents doing there?

Cerar: I don't know what, but my folks separated and my mother moved back to the ranch.

Swent: Where was the ranch?

Cerar: It was up by Livermore's place, before Livermores came into the country--up near the Oat Hill Mine.

Swent: When did your family come here? Your grandfather--

Cerar: He came over from Germany. It was way before the Civil War, I think. And my grandmother was of Alsace-Lorraine descent, born in New York, I think.

Swent: And the name was Clausen?

---

[1] This symbol (##) indicates that a tape or a segment of a tape has begun or ended. A guide to the tapes follows the transcript.

Cerar: Clausen was my grandfather, and Yerman was my grandmother.

Swent: Was your mother born up here then?

Cerar: Yes. She and my brother were both born on the ranch up there.

Swent: So you have very deep roots here, don't you?

Cerar: That's right.

The Family Ranch and Orchard

Swent: What kind of ranch? What did they have on the ranch?

Cerar: It was mostly fruit. They had a big apple orchard, and then they raised a little grain and hogs and cattle--a few. It was mostly apples and a big vegetable garden--they used to supply the Oat Hill mine with vegetables.

Swent: What was the town that they went to for supplies?

Cerar: Calistoga was the closest. They had a special road that the mine built to Calistoga, otherwise--at first it was to Middletown. But Calistoga was only about ten miles away from the ranch, but it was a pretty bad road.

Swent: A tough ten miles, wasn't it?

Cerar: Yes.

Swent: Up over the Palisades area?

Cerar: It started in Calistoga, over at the east end of town--they ended up through the Palisades mountains and then over to the mine. We had a branch road off the mine road to the ranch.

Swent: And that's the property that you still have?

Cerar: My sister and I and my niece have a half interest. Then the cousin descendants have the other half--a 160-acre piece and a 56-acre piece there. But the main ranch of 160 acres they have; that's the only piece of property I ever wanted in my life and I could never buy it from them. They're city people and have no use for the place, know nothing about farming, and have no country wisdom.

Swent: But they want to keep it.

Cerar: Yes. The Livermores have been wanting to buy it for years too.

Swent: Was there mining on the property also?

Cerar: No. It was all agricultural.

Swent: But the Corona Mine was about a mile and one half away.

Cerar: The closest mine was the Twin Peak Mine that adjoined the property, and Corona was just over the hill from there.

Swent: But your family was not involved in mining?

Cerar: No.

Swent: I see. Then you said you went to high school or to school in St. Helena [California].

Cerar: I went to grammar school the first three years up at Oat Hill, and then we moved to St. Helena and I went through grammar school and high school there.

Swent: Did the mine company provide the school at Oat Hill?

Cerar: The state did. The state or county.

Swent: How many children were in the school?

Cerar: There were only nine for a while there.

Swent: A real one-room schoolhouse.

Cerar: Yes.

Swent: Then you told me that after you finished school you did farmwork.

Cerar: That's the only work I could find; that was at the middle of the Depression in 1931.

Swent: Was this back on your family ranch?

Cerar: No, I worked around the valley here--prunes and grapes and walnuts. Hardly any grapes then; well, there were quite a bit.

Swent: That was before the big boom in the wine, wasn't it?

Cerar: Yes.

Swent: Those were tough times.

Cerar: I'll say they were.

Swent: What did you get paid for working?

Cerar: On the farms down there, the first job I ever took was about a dollar a day picking berries [laughs]. Then the regular farmwork labor on prunes was twenty-five cents an hour. On one farm I got to thirty cents an hour, I think, and then I went to work at La Joya Mine and that was three dollars and a half a day. One dollar for board and room.

Working at La Joya Mine for Fred Bachich and Morgan North, 1935

Swent: Sounded pretty good. Who had the La Joya at that time?

Cerar: It was Morgan North, Fred Bachich, and Ed White. White left before they were through; he and Morgan didn't get along. But Bachich was the brains of the outfit.

Swent: How did you get the job?

Cerar: I heard it was running, and another kid and I went up there on motorcycles and asked for a job. Bachich knew of my family; I had an aunt and an uncle up by the Oat Hill Mine--they were still living on the old farm up there. He knew them well, and he favored me, I guess, over the other kid.

Swent: Where did you live?

Cerar: I lived at the mine. They had a boarding house and a cook house there.

Swent: Good food?

Cerar: Best that I've ever had at any mine, and it was the cheapest [laughs].

A Gould Furnace Dating from 1929 at La Joya Mine

Swent: A dollar a day. Tell me about the mine.

Cerar: The mine had a Gould, forty foot by three foot in diameter--a three-by-forty rotary kiln. Rotary furnace.

Swent: This was 1935, you said?

Cerar: No, '36. The furnace went on there about 1929. Gould operated the mine from 1929 to '31; he was in a company that operated it, and they mined out what they thought was all the ore but they left a little on the bottom of one of the stopes. Bachich knew about that, and when he talked Morgan into going in with him and Ed White on a lease on it, they worked six months before they found any ore, and then I think they made about two hundred flasks of quicksilver out of the deal and then were out of ore for good. It was a cheap operation: they had thirteen men and the whole cost was around only a hundred dollars a day.

Swent: That included the bunkhouse and the cook and everything?

Cerar: Yes.

A Tunnel, a Drift, and a 60-foot Winze

Swent: What sort of mining methods did you use?

Cerar: The main tunnel went back into the hill for 820 feet to hit the ledge, or ore-bearing zone. Then they drifted 400 feet along the zone. Then they had a winze down--you know the difference between a winze shaft and tunnel and a crosscut and all that?

Swent: You'd better explain it to me, to be sure.

Cerar: All right. Everybody gets the tunnels mixed up in all the newspapers and everything else. They always talk of a mine shaft. A tunnel is a tunnel in the hill, or they call it a crosscut because it crosses the hill. The entrance is the portal of the tunnel, and after they get in there and start prospecting, usually with the hill, and that's a drift. A shaft is a hole from outside that's straight down or at any angle down--a vertical shaft straight down like Knoxville. They also have an incline shaft there; it can be any angle. Then inside the mine, a raise is an upside-down shaft; it can be straight up or out at an angle. A shaft underground down is a winze; it can be straight down or at an angle. A stope is where they mine out the ore body, or the hole that's left after the ore is mined out.

Anyway, they went into the hill, a crosscut 820 feet, they drifted 250 feet southwest, and didn't find anything. Then off to the right--I don't know how much that was; close to 800 feet, I think. Where the ore was was about 420 feet or something like that. Then they had a winze down about sixty feet to the ore, and they had a lot of water to pump too.

Swent: They were that far in when you started working there?

Cerar: Yes. Well, that was the old tunnel that was--they had to retimber it. They had some bad ground in places about 150 feet long that needed complete timbering and then some other places.

Swent: Were they working just day shift? Just one shift?

Cerar: Two shifts.

Swent: And what was your job? What were you doing?

Cerar: My first job was mucking. The mucker helps the miner. Then I ran hoist underground. I was there about six months before they gave up completely, and then I went to the Mirabel.

Swent: You say you ran the hoist. This was in the winze?

Cerar: We had an air hoist to hoist out of the winze.

Swent: I see. When you say "air," you mean--

Cerar: Run by compressed air from outside. You had a big air compressor out by the furnace, and a big Fairbanks-Morse one-cylinder engine to run it, and they had a smaller engine to run a generator to generate electricity to run the furnace with.

Swent: Was this hoist job your full-time job? All you did was hoist?

Cerar: No, because I'd help with other work, timbering and things like that afterwards because they'd hoist out the rock that they blasted during the day, maybe four to six hours.

Swent: You said it was a Gould furnace.

Cerar: A Gould rotary furnace, yes.

Swent: Rotary. Is this a vertical or a horizontal?

Cerar: Horizontal. A revolving furnace.

Swent: Were they named for the same Gould that bought the quicksilver?

Cerar: La Joya then sold their quicksilver to Gould--later on, when we had the lease we sold to a mercury producers' association in San Francisco. I don't know if they exist yet or not or if any buyers exist in San Francisco.

Swent: Maybe not.

Cerar: There were three at that time.

Swent: Who were they? Gould and--

Cerar: Gould sold to Pacific Vegetable Oil--that was Bernard Rocca. His father ran the Great Western and Helen mines years ago. There were two boys and a girl. Bernard Rocca, and what the heck was the other one that worked in the banks around the country? He was interested in mining. Andrew Rocca. The girl wrote a book on the quicksilver mining.

Swent: Some of this information that I had was from her book or from an article that I saw by her.

Cerar: Middletown people, some of the old-timers there, kind of resented her book for some reason or another. They thought she was either wrong or glorifying the Rocca family and so forth, but I thought she was all right.

Swent: It seems to be a good source of information.

Cerar: Helen Rocca Goss was her name. Helen Mine was named after her, I understand. When she was a baby or a little girl. I have the book somewhere but I haven't read it for years.

There was another written in Calistoga here, by a woman--a teacher, I think. The title was *The Brannan Saga*. She had everything wrong about Oat Hill and some of the other mines. Didn't even know where Oat Hill was.

Swent: Well, we'll give you a chance to clear up some of those errors now.

So you said you only worked at La Joya for a few months at that time.

Cerar: I think it was around six months the first time I went there.

Working at the Mirabel Mine for Fred Bachich

Swent: Then what happened?

Cerar: They ran out of ore, and Bachich was offered a job as a mine foreman up at the Mirabel Mine. He went up there, and Morgan North tried to carry on at La Joya with my help. He didn't do very much work after we did some test drilling; he never found anything, so he shut it down. Went up to the Mirabel and five months later the quicksilver price dropped way out from under them. They took a load of eighty flasks to San Francisco to sell, but the price had dropped way down, and the truck driver wanted to know what to do. He called back to the mine, and Mr. Best--that was running the mine--told him to bring the quicksilver back up there and they laid off five or six of us--the last ones that they hired. The others had been working there for years.

Swent: So they just kept the mercury.

Cerar: Yes, they kept it for a while and the price started coming up again or something. But with the Mirabel Mine and the Corona Mine, the McCauley brothers from Vallejo owned a big interest in Corona--that's Vallejo Quicksilver Mining Company--and they owned a big interest in the ownership of the Mirabel Mine. A fellow by the name of Hugh Davey, an old-time quicksilver operator, was in on the Corona deal and he's supposed to have been the only one that ever made the Corona Mine pay. And he couldn't get along with McCauley some way or other and he got out. Later on he went over to the Mirabel and developed some ore. One of the McCauley brothers traded his interest in the Corona Mine to the other McCauley for his interest in the Mirabel. So Ed McCauley, I guess, owned the main interest in the Mirabel, and Jim McCauley owned the main interest in the Corona Mine. And the Mirabel was a good mine, and Corona wasn't [chuckles]. Ed McCauley died, and his wife was left with the controlling interest in the Mirabel, and it was operating. She needed somebody up there to take care of her interest, and she sent her brother up there who was retired from Mare Island. He was some kind of efficiency expert at Mare Island Navy Yard for years, and he went up there and operated the mine and did a good job of it.

Swent: What's the difference between a good operator and a bad one?

Cerar: One that makes the mine pay and develops it right and everything else.

Swent: What's the secret of doing that?

Cerar: Common sense, mostly. Common business sense and knowledge of mining. But Mr. Best didn't know anything about mining, but he had a good superintendent.

Swent: This man from Mare Island didn't know much about mining.

Cerar: Nothing. But he went up there and kept the thing going right and everything else.

Swent: Was that Best? Was that his name?

Cerar: Yes, William Best. He finally died up there. I guess he was in a coma for about six months or so, and the thing that kept him alive was that he had a strong heart. The rest of his body went bad, I guess.

Morgan North: Hard to Deal With

Swent: You mentioned Morgan North. Did he know anything about mining--was he a miner?

Cerar: Morgan's story to me was that he started to go the University of Nevada to learn to be a mining engineer, and he quit after about a year and a half. He said, "After all, I knew more than them; all those instructors there had failed in the field and went back to teaching." [laughter] That was his argument. Morgan was hard to deal with [laughs].

Swent: Was he?

Cerar: Acquaintances used to tell us that his folks had to pay all their kids to play with him, he was so mean [laughter]. I believe that. I've talked to people since that had cooked for him--a woman that cooked at Knoxville for Gamble part of the time there, was on a ranch in Berryessa Valley. And the Norths had a ranch there, and Morgan would come up there in the summertime during vacation; he was a kid then. She had an awful time pleasing him by cooking for him. When he went in to La Joya with Fred Bachich and White, they were working at a gold mine someplace in the Mother Lode and North and another kid had a lease on a gold property adjoining. They didn't have anything, and he had told Ed White and Fred Bachich that he had a lot of money. He did have folks that had money, and the aunt was real rich. I guess you've heard about the aunt that was--

Swent: Julia.

Cerar: Yes, Julia Morgan. The architect and all that. He threw that at them and then when he got the lease on a mine he had no money; he didn't have access to it [laughs].

A Partnership Interest at the Helen Mine

Swent: But he did have some training as a mining person.

Cerar: Yes. Then he got more and learned a lot from Fred at La Joya. Then he had the Helen and ran the ore, old fill from the mine going back about a couple hundred feet--caved material that contained about three pounds of mercury to the ton of ore.

Swent: This is at the Helen.

Cerar: Helen, yes. I worked for him up there. I went into a partnership with him. He had about six of us in the partnership, and he had the biggest interest [laughs]. We didn't make anything hardly out of that deal, but I went up there and learned something about concentrating of ore. And I did.

Swent: Was this after the Mirabel?

Cerar: Yes. Way after. The Mirabel and the Oat Hill, La Joya, and the Klau Mine.

Swent: Maybe we should go back to the Mirabel then. So then you followed Fred Bachich over to the Mirabel. Is that right?

Cerar: Yes. And then we took a lease on La Joya.

Swent: Then went back to La Joya?

Cerar: Oat Hill after Mirabel, and Oat Hill ran out of money.

Swent: Fred Bachich was running the Mirabel.

Cerar: Yes. The foreman. Tom O'Connor was the superintendent, but Fred was the one that knew the mining.

Swent: And how long were you there?

Cerar: I don't know. About five or six months or so, and they shipped that load of ore to the city and the price had dropped way down--

Swent: Oh, that was from the Mirabel that they brought the eighty flasks back.

Cerar: Yes. And from Mirabel to Oat Hill, and then from Oat Hill into that partnership, and La Joya.

The Mirabel: One of the Oldest and Best Mines in the District

Swent: At La Joya they were working underground. Was Mirabel underground also?

Cerar: Yes.

Swent: Did they do similar kinds of mining? The same stope and--

Cerar: Yes. They had a shaft and winzes inside, and I think they had five ore bodies in there that they stoped out.

Swent: The Mirabel was one of the most productive of all the mines at the time, wasn't it?

Cerar: It was. It was a good mine.

Swent: Very old. One of the oldest.

Cerar: Yes. The oldest in the district is Knoxville, La Joya, and Aetna. They were discovered about the same time, in the sixties or something like that.

Swent: In the 1860s, yes.

Cerar: Oat Hill was discovered later. It was discovered in 1873 and never mined until 1876.

Swent: What kind of equipment were they using at the Mirabel?

Cerar: All they had was a vertical shaft with what they called a cage in it that hoisted the cars up out of the mine and dumped them and let them down.

Swent: Did you use the cage for men also?

Cerar: Yes, yes. They had a small rotary furnace there, a Lacy. Lacy was a manufacturing company in Los Angeles that made all kinds of mining equipment. They made that little furnace at Mirabel; it was thirty inches in diameter by thirty feet long. They were burning about fifteen tons a day, so they had to have good ore--all their ore was good ore.

Swent: What kind of fuel did they use?

Cerar: Oil. Crude oil.

Swent: Had to bring it up there?

Cerar: There was a low pressure burner.

Swent: Did the mine crew also work on the furnace, or was that a completely separate crew?

Cerar: No, a separate crew on the furnace. They ran the furnace three shifts a day. Most of the people were from Middletown. They lived in town; there were no houses or anything at the Mirabel. Now it's a resort.

Swent: Did you stay in town?

Cerar: I stayed with a step-uncle that was working there. He had a place right in town.

Swent: How much were you paid?

Cerar: Maybe four dollars a day or something like that. Of course, they didn't take out for room and board--I had to pay that elsewhere.

The Introduction of Social Security, 1937

Swent: You said that social security came in when you were at the Mirabel.

Cerar: At the Mirabel. It started when we were at La Joya, and North was really upset about that [chuckles]. He wrote each of one us a little letter, and he said, "Do you know that they're going to take one cent out of every dollar you make from now on after the first of the year?" I didn't get my social security card until I was at the Mirabel. I have it in my pocket yet, I think.

Swent: The same one.

Cerar: I should be carrying it in my pocket. At least I did have it. [hunts for card] I don't think I put it in the safe deposit box. You know, they say the safe deposit box in fact isn't the safest place to keep things either. I read that once about wills.

Swent: It's hard to know where to put things, isn't it?

Cerar: There was an article in the *Examiner* once about that. They said the safest place to keep a will was with your attorney. But I don't think that is the safest.

Swent: So it was one cent out of every dollar when it started?

Cerar: Yes.

[finds and displays card] Mirabel Quicksilver.

Swent: There it is. Anthony Aloysius Cerar, Middletown, California, Mirabel Quicksilver Company. Isn't that something? July 16, 1937. Same one that you've had all this time. That's almost sixty years [laughter]. That's wonderful. Well, you've taken good care of it.

Cerar: I don't know if it's good care or not; I shouldn't be carrying it with me.

The Fallibility of Bureau of Mines Reports

Swent: I don't know. I guess you can get a replacement.

Cerar: I got somewhere--unless it's been stolen from me--I lost a lot of mining books up at the Geysers. Two of those State Bureau of Mines publications--or I guess it would be the U.S. Bureau of Mines had something to do with it. They had that whole article on Knoxville when we were working there. Cerar, Carr and Truitt. Told what we did and everything--they had that pretty exact. The next time, the following year, they sent people around to see what we were doing and all that, and I wasn't there that day; I was off. We used to take off individually and not three at once except--[the report listed his name incorrectly]

##

Cerar: --but it didn't do any good because it's Girard to the public--they had it Anthony A. Girard. So I'm not actually there then, but I am in one year.

Swent: So you can't believe everything you read.

Cerar: No.

Swent: Did they get everything else pretty correct?

Cerar: That last year I'm not so sure. I think they repeated the year before or something. I had both of those publications, in duplicate, and I lost them. Somebody took the biggest part of them up at the Geysers. I don't know--

Swent: Broke into your house?

Cerar: Some way or other. It could have been relatives--I was boarding with a woman up there, an older woman, and she had a store there. I had a lot of my stuff stored there, and I think it may have been one of her relatives, in-laws--because he was interested in mining.

Swent: That's too bad. It's a shame.

Cerar: A bunch of that stuff turned up for sale in Cloverdale only a couple of years ago and I didn't get there in time. It was sold already. I don't know if it was connected with that or what. I've been able to duplicate some of these publications from Sierra Books in Richmond or Benicia or wherever he is, and I always buy them from him if they still have them when the catalog comes out.

Swent: Let's go on then. You were at the Mirabel. Then did the Mirabel close because it ran out of ore?

Cerar: Yes. That was several years later.

Swent: Why did you leave the Mirabel?

Cerar: They laid off the last men that they hired.

Swent: Because the price was down.

Cerar: Yes, because the price went down.

Swent: They still had ore, but the price was down.

Cerar: Yes. But I think they just about ran out of--well, they shut down when Mr. Best died.

Swent: Was that the same Mr. Best that had the mines up in the Downieville area?

Cerar: No, this is the Best that was connected with the Mirabel only.

Swent: Okay. So then from the Mirabel you went to the Oat Hill.

Cerar: Yes.

Working at the Oat Hill Mine, a Large Cinnabar Mine in Sandstone, about 1938[1]

[Added by Cerar at time of reviewing the transcript]

Oat Hill was the world's fifth largest quicksilver producer during its heyday according to company records, with over twenty-one miles of underground workings, miles of tunnels, two vertical shafts, one 875 feet deep and the other 400 feet deep with a 100 foot windze further back in the hill to make a total of 500 feet deep in the area. The only mine with their own sawmill plus general store, drug store, post office, doctor's office, and slaughterhouse employed 120 Chinese and sixty white men for years.

[End of addition]

Swent: Who was running the Oat Hill then?

Cerar: Jack Wenzel. He had a steady production there, but he was always away and not there to manage it, and he had a couple of stepsons, and they were fighting between each other. He was always slow on making payments for wages and anything he bought. He used to take trips up to Oregon regularly to promote money for the mine instead of making the mine pay off. They even went up to Washington. He had a warden from the penitentiary up in Washington invest money into the deal. They were making around fifty or fifty-five flasks a month there, and he still didn't make it pay. Goulds came in later and got it back from him and they made it pay right now.

---

[1] For more on the Oat Hill Mine, 1955-1975, see William Kritikos, interview in the McLaughlin Mine/Knoxville District oral history project, Regional Oral History Office, the Bancroft Library, University of California, Berkeley, in process 1998.

Swent: He was spending too much money, you think?

Cerar: I don't know what he was doing wrong. He'd make a little money there and he'd pay off one of the fellows that he had borrowed from. Then he'd have to borrow to make the paychecks [chuckles]. It was very mismanaged, and he was an expert miner too.

Swent: What kind of mining were they doing there?

Cerar: At Oat Hill?

Swent: Yes.

Cerar: It was underground and square-set stoping.

Swent: That was different from what they had done at the Mirabel?

Cerar: Mirabel was hard rock; we didn't need any timber.

Swent: I see. You said they timbered at La Joya.

Cerar: Yes. The ore was in the hard rock, usually, at La Joya, and they didn't need much timbering. Then they had some heavy ground at La Joya too, where they had to timber.

Swent: But the Oat Hill is different.

Cerar: It's different. It's in sandstone. In the first place, the Aetna Mine was running different parts of it--the Silver Bow and the Phoenix claim.

Swent: Is that a part of the Aetna?

Cerar: Later they all merged or amalgamated later. But they were running, and prospectors were all around the hills there, and they refused to believe that cinnabar came from sandstone. Aetna was on one side of the hill next to Pope Valley, and over the mountain was James Creek, and then up the other side was Oat Hill maybe a mile and a half or two from Aetna in a straight line. But off to the left of Oat Hill was a big silica carbonate ledge that they used to call quicksilver rock. Everybody was prospecting on that for cinnabar. They could pan cinnabar down on James Creek between the Aetna Mine and Oat Hill Mine.

Swent: Pan it?

Cerar: Pan it out of the water, out of the creek bed.

Swent: I didn't know you could ever do that.

Cerar: They refused to believe that that came from the mountain right above them, the sandstone. They were prospecting that big ledge and spent a lot of money there, the Lawley brothers, who built a toll road between Calistoga and Middletown. They built a road into there and had a camp there. I was up there the other day with John Livermore. The Lawleys drilled a long tunnel underneath that big ledge and all that. Later on, some people working at the Aetna Mine went quail hunting up at the Oat Hill area and found samples of cinnabar there. I guess he didn't quite believe it either--he was a mining man, but they took up some claims and did some work there, and here was this rich mine in sandstone.

Swent: But that was a hundred years ago.

Cerar: In 1873.

Swent: By the time you worked there it was an old mine.

Cerar: It was supposedly worked out, but it has never been worked out. The old waste dumps even carry cinnabar at maybe high enough value to work if the price was up. The Livermores never would do anything with it, and I never understood why John didn't try it. Years ago, 1950 or '51 and even later, he could have gotten a $100,000 loan from the federal government to develop quicksilver with, and if he didn't find anything he only had to pay ten percent back. I tried to talk them into it but they weren't interested at all. I never got a chance to talk to John though.

Swent: He's the miner.

Cerar: Yes. Not practical, I don't think. He's interested in mines but he's a geologist. But [Dean] Enderlin, I have a lot of faith in him; he is a young geologist at Homestake, but he'd tackle anything he had a chance to, I think. He is very capable.

Swent: So what were you doing at the Oat Hill that first time?

Cerar: Mucking underground.

Swent: Mucking again?

Cerar: That's right [laughs].

Square-set Mining and Dry Drilling

Swent: What kind of mining equipment did they use?

Cerar: They used only jackhammers and augurs. They were working an old fill. When that mine was worked in the early days, wherever they had mined out they would mine out a block of ore maybe about six feet square or something like that and they'd timber it with what they called square sets: that's four posts and caps and lagging on the top and side. Then they'd fill in with waste material. They'd sort the ore--the Chinese sorted the good ore out of whatever they blasted and they'd throw the waste into these square sets. They'd square-set the whole area there and fill in as they went up. What we were mining on was--they'd start down low somewhere with a tunnel and then they'd work upward to the surface. But when we were there we were working with old square-set fills there. They averaged about four pounds of mercury per ton. It didn't take much drilling or anything like that. But the old company drilled by hand; that was all single-jack drilling. They never had any compressors or anything.

Swent: But by the time you were there you had jackhammers.

Cerar: Jackhammers and a compressor.

Swent: Did you drill dry or wet?

Cerar: They drilled dry, but it didn't make any dust though. See, in 1930 the state of California passed a law where they couldn't drill dry any more; they had to drill wet. I came in after that; that's why I never got any dust in my lungs.

Swent: Was there any concern about the danger of mercury?

Cerar: No, because there was no free mercury underground at Oat Hill. The only one that had free mercury--I worked in that at the very last, but they had good ventilation--was the Mirabel. One ore body. I didn't work in that one; I worked in the one alongside of it. It was cinnabar.

Swent: How long were you at the Oat Hill this time?

Cerar: About five or six months or something like that.

Swent: This was about 1938?

Cerar: Somewhere along there, yes.

Swent: Why did you leave?

Cerar: They ran out of money and couldn't pay us [laughter]. I got the last check they gave out.

Swent: Do you remember how much you were paid?

Cerar: About four dollars a day or something like that. They charged a dollar a day or something like that for board.

Swent: They had a bunkhouse there?

Cerar: Several of the old houses--they used the old superintendent's house for a bunkhouse. They used the office, which was a fine building, for a cookhouse.

Swent: What were the cooks at these places? Were they men or women?

Cerar: Oat Hill had an ex-National Guard cook or something like that. He used cans of everything [chuckles]. They had a German blacksmith working there, and that was the first time I had ever heard of canned potatoes [laughter]. They put them out on the table and the blacksmith said, [mimics German accent] "Too bad they don't can hotcakes." [laughter]

Then they got a woman cook there afterwards. She was good. Her husband worked in the mine. She was from Oklahoma.

Swent: Did you carry a bucket underground or did you come out for lunch?

Cerar: Yes; I had to walk close to a mile to work up there.

Swent: So they provided--you got your lunch from the cookhouse.

Cerar: Yes. We took our lunch with us.

Swent: What kind of bucket did you have?

Cerar: One that had a half-round top and was so long [gestures].

Swent: With two latches on it?

Cerar: No--

Swent: Was it round?

Cerar: The top was half round.

Swent: But the bucket was like a box?

Cerar: Yes.

Swent: With a handle on the top?

Cerar: Yes.

Swent: Did it have a thermos in it?

Cerar: It had a thermos in it. That's the round part up top--the thermos. See, it opened on the side here [gestures] with two clamps.

Swent: Kind of like a trunk. Made of metal?

Cerar: Yes, metal. When we went to school at the Oat Hill, everybody used tobacco cans. The tobacco manufacturers made regular lunch buckets. They were painted fancy colors and all that, and each kid had one that he picked up somewhere. The men at the mine that bought tobacco that came in little cans like that and they made nice lunch boxes. They were made for that.

Swent: Speaking of tobacco, did the men smoke in the mines?

Cerar: They weren't supposed to smoke in the mine, but some of them did.

Swent: Did they chew tobacco?

Cerar: Some did.

Swent: Or "snuff," I guess you'd call it.

Cerar: But they chewed the regular plug tobacco, too.

Swent: You said you never smoked.

Cerar: No.

Swent: That's good.

Cerar: Never chewed either. Never cared for it.

Swent: What would you have for lunch?

Cerar: Three or four sandwiches and maybe an orange. We used to go into the cookhouse up at Oat Hill after work and so forth, and they had a storage room where they kept all this stuff, and they used to get awful good oranges then. We would sneak in when the cook's back was turned and pick out a couple oranges or so. She caught two of us one time, and she was lecturing this other fellow, but I had the door closed on the storage room, and I put an orange under each arm, filled my pockets full; I had a big coat on so I filled that up. I started to go out, and she said to Harold--she gave him an orange--"Give Tony one, too." I got down to my camp and I had an even dozen oranges [laughter].

Swent: That was a big treat. You ate there seven days a week? All three meals?

Cerar: No, I think it was six days a week. Then when they shut the mine down--no, I think they fired the cook for something. It was not for the caliber of her work. Political or something, anyway [chuckles]. I wasn't there that evening, but she told this Harold Stott that worked with me, she said, "I wish Tony was here now for the oranges." She gave oranges to everybody [laughter].

Swent: What kind of furnace did they have there?

Cerar: A Gould rotary furnace, four feet in diameter by sixty-four feet long.

Swent: Oh, a big one.

Cerar: It was put in in 1929. They only burned about fifty or sixty tons a day, but later on when the Goulds were operating the mine they improved the condensing system and all that. They were handling up to 125 tons a day, I guess, in the same furnace. Had a nice operation later.

Swent: You said you worked at one mine where you learned to concentrate. Was that at the Mirabel?

Cerar: Concentrate ore?

Swent: Yes.

Cerar: That was at the Helen.

Swent: But that was later.

Cerar: For Morgan North. Yes, later.

Back to La Joya in Partnership with Fred Bachich

Swent: So where did you go then from the Oat Hill?

Cerar: Fred Bachich took over the La Joya mine, and he took three of us in as partners. We stayed up there for over a year and we never made much--only about thirty-one flasks.

Swent: Back to the La Joya then.

Cerar: Yes, in a different area.

Swent: At that time, you said you were a partner with him. You were not just an employee; you were a partner.

Cerar: Fred and I and a fellow by the name of Dick Bruns and Harold Stott--the four of us.

Swent: When you went into a partnership like this, did you have to put money into it?

Cerar: Yes, we had to put a little in.

Swent: You'd been able to save money on four dollars a day?

Cerar: Nothing else was expensive [laughs].

Swent: But then you didn't get paid.

Cerar: Oh, I got every bit of the money I ever had coming, but had an awful hard time getting that money out of Oat Hill.

Swent: At the Oat Hill you were paid. You were an employee.

Cerar: But at La Joya I wasn't paid.

Swent: You were an owner.

Cerar: That's right.

Swent: How did you get your money?

Cerar: I had a little saved up.

Swent: But you divided the proceeds as they came out?

Cerar: Yes.

Swent: How did you do that?

Cerar: Fred Bachich kept 35 percent, and Dick Bruns had no money to put in--we gave him 15 percent--that was 50 percent--and Harold and I each 25 percent.

Swent: But 25 percent of what?

Cerar: Of the quicksilver we made--of the profit.

Swent: When you sold the quicksilver and paid off your costs--

Cerar: Yes. We paid off all of our costs there with what little we made.

Swent: Did you have to pay tax on the--

Cerar: No. I think we paid the taxes on the property, which was very little. That was part of our lease.

Swent: Did you have other people working for you?

Cerar: No. We did all the work ourselves.

Swent: The mining and everything.

Cerar: We did a lot of tunnel work there, and we sank an incline shaft about ninety-five feet deep. The shaft was mostly sunk by hand; we didn't have compressed air.

Swent: Just single-jack?

Cerar: Yes. Slow.

Swent: What kind of explosive did you use?

Cerar: I don't remember the name--gelomite, or something like that. It was 40 percent explosive.

Swent: Was it dangerous?

Cerar: No. They say that when it gets old it's dangerous.

Swent: Did you ever have an accident in the mine?

Cerar: No.

Swent: What kind of clothes did you wear?

Cerar: We wore what they call tin pants in the La Joya.

Swent: What are those?

Cerar: They're regular work pants and a coat that were made out of a canvas material that was waterproof. They're still made by Filson in Washington, I think it is. I think they are around seventy-five or a hundred dollars for pants now--the same for the coat. The loggers use them a lot.

Swent: They call them "tin" because they're so stiff?

Cerar: [laughs] Well, they got stiff after you wore them a while.

Swent: You didn't wash them?

Cerar: Yes, we did finally--not regularly. We wore them over regular clothes.

Swent: I see. Was it cold in the mine or hot?

Cerar: No, La Joya had a nice even temperature.

Swent: What kind of shoes did you wear?

Cerar: Hard-toed boots, laced tight. At La Joya we used the regular knee boot that had a hard toe; they were red rubber. They were good. In Mirabel we used a laced type--and Oat Hill from then on.

Swent: When did hard hats come in?

Cerar: They were in when I went to work at La Joya. They made a better hard hat then than they do today because they were not made out of plastic; they were made out of micarta or something like that that they made airplane propellers out of it and everything else. They were a nice hat.

Swent: Made of what?

Cerar: Micarta, I think it is. [spells] There may have been two names to that. I don't remember.

Swent: Sort of a brown?

Cerar: Brown.

Swent: I still have one of those in my closet somewhere [laughs].

Cerar: I have one too, but I don't know if you can get liners for them any more.

Swent: They were heavy.

Cerar: The ones that I had were not as heavy as the plastic liner.

Swent: Oh, really?

Cerar: I like them better.

Swent: Did you use electric lamps?

Cerar: Most of the mines were carbide lamps until we got to the Mirabel and it was electric. At Oat Hill it was back to carbide again. I don't know if they would allow a carbide lamp underground now.

Swent: I don't know either. Then when you left the Oat Hill, where did you go?

Cerar: That's when we went into that partnership at La Joya.

Swent: Back to La Joya, right. Then when did you leave that and why?

Cerar: That was about 1939, I think it was--somewhere along there. Fred Bachich got the job of running the Klau mine down in San Luis Obispo county, and I went down there for a very short time. He put me first underground and then on the furnace, and that furnace was leaking bad and everything else, and I got out of there. Every man that was on the job lost their teeth afterwards.

Swent: Oh, my. Now, the price of mercury was beginning to go up then, wasn't it?

Cerar: The price was starting to go up. I remember Gordon Gould coming up to La Joya and telling us, "The price is going up to $110 a flask." He predicted that. Well, it went up closer to $300 at the beginning of the war, but they brought it back down to $187 or so. In 1944 it dropped again; that's when all the mines shut down practically. In '45 it started coming back up again due to the manufacture of the mercury battery. That's when we got into Knoxville.

The Klau Furnace: Mismanaged and Dangerous

Swent: Did you just drop the lease on the La Joya then?

Cerar: Yes, when we went down to the Klau Mine.

Swent: You just dropped the lease on it.

Cerar: Yes.

Swent: I brought this figure on the mercury production. In '37, California produced 9,743 flasks of mercury, and then in 1938 it jumped up to 12,000-something, see? [shows document] In '37 the California production—

Cerar: --was 9,743 flasks. Knoxville produced that in one month, 9,400 and something when Redington was there.

Swent: Oh, but that was long before.

Cerar: Yeah, I know [laughter].

Swent: Then the next year it jumped 3,000.

Cerar: In '38 it jumped to 12,000; in '39, 11,000; in '40, 18,000.

Swent: So it doubled from '37 to '40.

Cerar: It was still up in '45 but it dropped '46--came up in 1951 or '52 when the government started buying again.

Swent: It went up a little bit, yes. So when you went down to the Klau was when the price was starting up?

Cerar: I think so--'38 or '39.

Swent: You didn't stay there very long.

Cerar: No, because he had me on the furnace, and the furnace was leaking all over. I got out of there.

Swent: What kind of furnace was it?

Cerar: Had a rotary furnace. But it was mismanaged and changes made and everything else, and repair work without any rhyme or reason. They choked down a connection on the furnace that was ten inches square pipe; out and up to the dust collector, then over to the condensers. But somebody put in a ten-inch round pipe connected to it, and that cut down on the area by 25 percent and the furnace fumes weren't all getting out, and they were leaking around the feeder badly. It was an ore that had quite a bit of moisture and wouldn't feed too well to the furnace, and I had to keep routing it or poking it with a rod. They put in a new furnace later on, fixed up this one, and they had no trouble whatsoever. It was an ore with a pretty high sulfur content too.

Swent: Why would the owners--did they just not care about--

Cerar: Gould was awful sloppy, and he had one of his sons, Mike Gould--he was a drinker--he never tried to learn anything about being a miner or about furnace operation. He always had some Spanish fellow in charge for him. Gould preferred Spanish people altogether. They weren't the best.

Swent: They just didn't care if their workers got sick?

Cerar: Mike didn't care.

Swent: You lose your teeth when you get mercury poisoning?

Cerar: The first part of mercury salivation, I think you get pretty ill. Then it starts affecting your teeth. They talk about losing your hair too, but I don't know about that.

Swent: Is it reversible? If you get away from the mercury--

Cerar: Yes, I think it is.

Sad Stories of Immigrant Workers from Europe

Swent: Once you've lost your teeth, of course, you've lost them.

Cerar: The second time that Knoxville was running in a big way when the Boston Company took over in 1900--Jake [Jacob Carl] Ansel was an uncle of mine by marriage and was a foreman at the Oat Hill, and they sent him over to Knoxville to take charge of reconditioning the Redington shaft that had been unoccupied or unused for about eighteen years or something like that. After they got everything going, the furnace going, they developed a lot of ore there to start with. A lot of these people were coming over from Europe and took the place of the Chinese. They worked for the same wages. My aunt told about a lot of those Austrians or Yugoslavs that came over to Knoxville; they put them on the furnace right away, and they came over here and had been living on vegetables more or less in the old country--pink cheeks and everything else, healthy looking, and after they had been on the furnace a few months and lost their teeth and sallow-looking and all that. See, the manager--especially Newcomb--at the Oat Hill didn't care, but most of the managers of the mines didn't care at all.

Swent: Isn't that awful?

Cerar: Yes. But they got really rough on them after World War II--most of the mines were that way. Even North, when they set up a small furnace at Knoxville--they set it up, duplicating the old furnace, I mean, the condensing was set up, and they were salivating then there in 1967 or '68. The Industrial Accident Commission got pretty rough on them there, and I think that was partly why he shut down.

Swent: But it took the government to do it.

Cerar: Yes.

Swent: That's too bad.

Cerar: They had to do that on a mine up by the Geysers. Leaking bad around the feeder and everything, salivating every man until almost 1960 or something like that. There's very few men that really understood how to operate a furnace that's a rotary.

##

Cerar: I was watching this production here--3,000 flasks in 1921 and '22; in '23 it was 5,000 and started to go up. I was going to school at the Oat Hill Mine in 1920, '21, and '22 and they shut the mine down on account of the price of quicksilver there once. The superintendent hung on as a caretaker. Then they reopened again, ran a while longer, then shut down for good. That mine was up for sale, the property, for $5,000 once; Jake [Jacob Carl] Ansel, my aunt's husband--or my uncle--could have bought it for that because he knew the owners well. But he didn't have the money. I think it was between $5,000 and $6,000. He didn't have the money, and he went to a rancher there that had the money and ran cattle on the Oat Hill Mine property. He told him that he could run his cattle there all the time, and Joe Yudnich was the fellow's name, and he said, "Oh, I run my cattle there anyway." He did for years afterward until Livermore ran him out. So he wouldn't try to buy the property, and Livermore came along and they upped the price to $11,000. But it was awful cheap then.

Swent: But even $11,000 was a lot of money then, wasn't it?

Cerar: Yes. There was ore there, and Jake knew the mine because he was foreman for the Boston Company for twenty years. He worked his way up to mine foreman for the Boston Company, and he was there for over twenty years. He came over from Austria, and his uncle settled near the Oat Hill Mine, homesteaded. Jake went from there, cutting wood for the Oat Hill Mine. That was big business in those days. They had to have wood for cooking--several families up there--and the furnace used maybe three or four cords a day apiece, and they had two of them. Then they had two steam hoists and the sawmill; they had to have wood. So they at least used ten cords a day of wood up there then. They bought from everybody and cut on their own property. Besides that, they had to have a lot of timber for the mine. They had woodchoppers all over the country up there. They had their own sawmill.

The Demand for a Lot of Wood

Swent: What kind of wood did they use? Just anything they could get?

Cerar: Most anything. For the furnaces they tried to get oak wood if they possibly could, but they cut anything--madrone, oak, live oak, black oak, manzanita--

Swent: But by the time you were working there they--

Cerar: We were using oil.

Swent: But they still needed wood for the mine timbers.

Cerar: Mine timber--they still had to buy their timber.

Swent: They were still using timbering.

Cerar: For timber, mostly.

Swent: Because that was in sandstone, so they had to timber everything?

Cerar: Had to timber every bit of it. Except the tunnels where there were drifts and crosscuts into the hill were usually in hard sandstone; they didn't need any timber in those. A lot of those tunnels were driven by Chinamen. They paid them one dollar a foot. That's contract work for driving a tunnel, and they averaged a foot a day between one or two or three Chinamen.

Swent: But the Chinamen had all left by the time--

Cerar: Oh, yes--they left when they shut the mine down in 1910. A fellow by the name of Murray Innes, a mine operator, took over the Oat Hill just before World War I, and Jake Ansel ran it, and they never had a Chinaman on the property. They had a lot of Italians and Austrians. The Italians, wherever they had a bunkhouse or a cabin, they had a little vegetable garden outside, maybe even four tomato plants, and they'd pack their water a quarter of a mile sometimes. The Austrians had stills all over the hills, and they made brandy [laughter]. And they all hunted.

Swent: What did they hunt?

Cerar: Deer, rabbits.

Swent: Was there any fishing?

Cerar: There wasn't any fishing around. Well, there was a stream up around James Creek. The Corona acid water came into James Creek and ruined that creek as a trout stream, but there was a half a mile above where the water came that was good trout fishing. You ever fish?

Swent: Some, as a kid--not now. I've read that the Knoxville was special in that the Knoxville never hired Chinese?

Cerar: Not under Redington. But when the Boston Company came in there later, they had Chinese. They tried to get Japanese in there once, but between the whites and the Chinese--they ran them out. That's the story I get.

The Helen Mine, 1939: Decomposed Basalt and a Retort

Swent: So we're up to about 1939 now? You went to the Klau, and then you left the Klau because of the mercury, and then where did you go?

Cerar: I went straight to the Helen Mine. Morgan North had that, that's the Helen Mine. He was trying to do something there, and ended up with that concentrating rock that was nothing more than clay, more or less, out of the mine, but he made a little quicksilver there.

Swent: Where is the Helen?

Cerar: It's up the creek, west of Middletown--up what they call Dry Creek. You can see the mine site from the highway.

Swent: He was just leasing it at that time?

Cerar: Yes. He got a good lease out of it. I guess Goulds owned it. He subleased to Fleishhacker afterwards, and they hung on for two or three years.

Swent: But it was in clay, you said?

Cerar: Yes, a clay-like material. It was a decomposed basalt, but it had a low-grade ore in it. Their regular mine was a silica carbonate ledge. Helen wasn't too big a producer either.

Swent: How did you mine it?

Cerar: The tunnel went through this basalt. We used to set off charges above the timber and break it loose and come down and haul it out with an ore car. We didn't have to do much blasting. It would fall by itself mostly, but every once in a while we'd have to set a charge up to shake it loose.

Swent: Was there a furnace there too?

Cerar: There was a furnace there, but we used a retort for concentrates.

Swent: What's the difference?

Cerar: A retort is a small-capacity--we had two round pipes of I guess ten inches or twelve inches in diameter by about six feet long, sealed completely at one end and about a ten-foot condenser pipe dripping into a--mercury would drip into a pot. It was fired with wood, but the other end had a removable door that we sealed with clay every time we put a charge in. I think we burned the concentrates about twelve hours, and then we'd draw the burnt rock out. You'd fill it up about half full or so and then recharge it again every twelve hours or something like that.

Swent: So just one batch, and then you take it out.

Cerar: Yes. They're a batch-feed retort. The furnace handles big tonnage. The difference is that your retort--the fire was on the outside of the ore. The fire's got no connection with the rock inside. With the furnace, the fire and the rock are burning together.

Swent: Some of the furnaces are at an incline; is that right?

Cerar: The rotary furnaces are at a very slight incline, but there are some retorts on an incline.

Curt Schuette, America's Foremost Authority on Quicksilver Mining and Metallurgy

Swent: Now these furnaces and retorts, they're named for the people that put them together, I guess, are they?

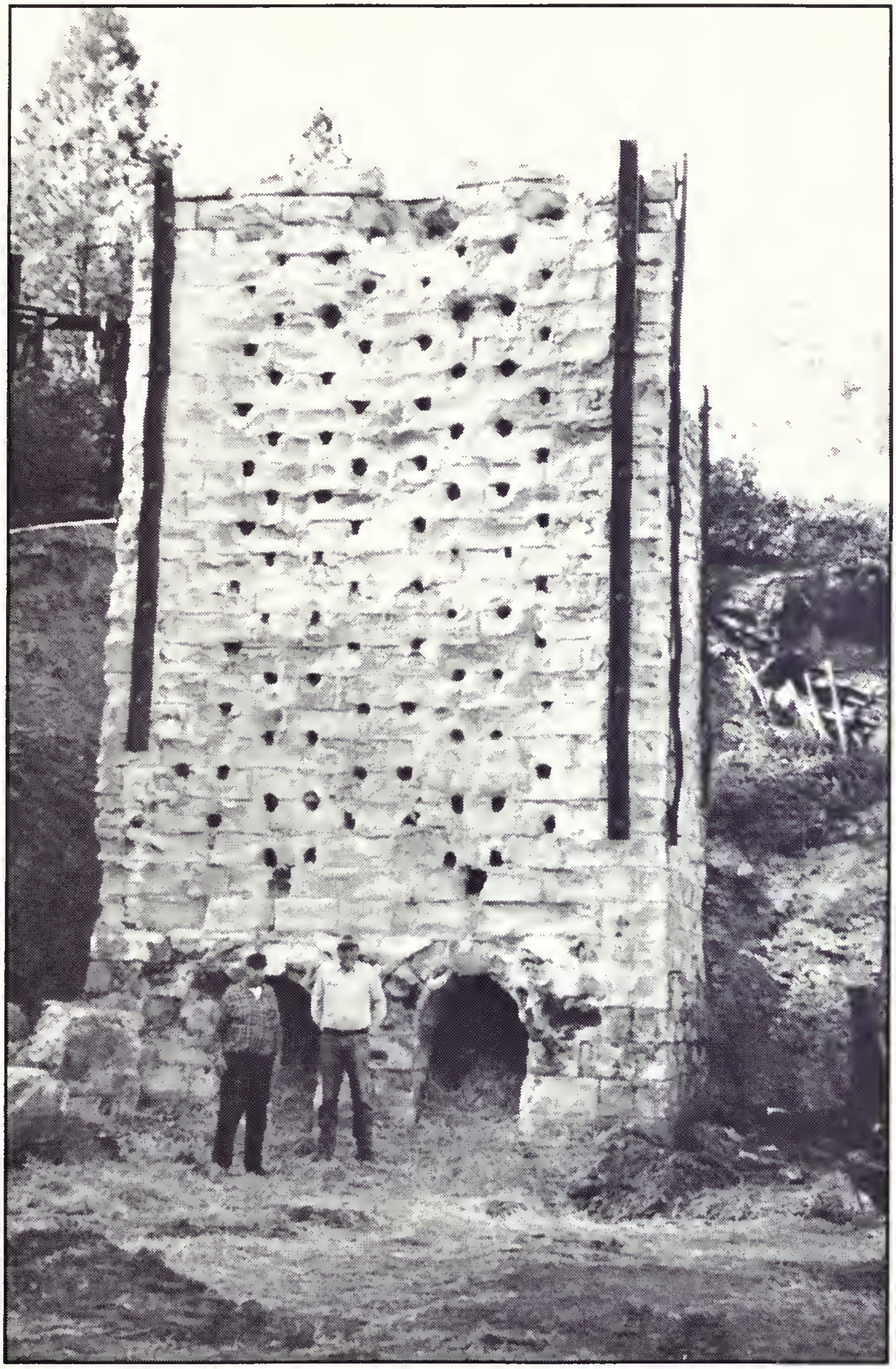
Cerar: Well, Schuette always claimed that he suggested that they try the rotary cement kiln for a quicksilver furnace. Henry Gould adopted the idea down at New Idria Mine--that's where the first successful rotary furnace was.

Swent: Oh, and it was copied from the cement business?

Cerar: They were originally cement kilns, but Schuette was the one that originated that idea, and he was kind of sour later on that he wasn't able to set up one, or didn't have the money to, or have it work right when it did. Then Gould tied up with Mutual Engineering in South San Francisco; they built cement kilns, and he had different sizes of kilns built there for quicksilver furnaces that he capitalized on. He really charged for the furnace.

Swent: So the difference between his and all these others--we've got Litchfield and Osborne and Knox-Osborne, Scott, etc.

Cerar: Those are all stone or brick furnaces, and there is nothing mechanical about them. A rotary furnace is all mechanical. What helped make the rotary furnace successful was--the first one was built at New Idria, then at Cloverdale Mine over here, and the both of them had rock that didn't make much dust. The dust problem was the problem with the rotary furnace, and then later on George Gamble was the first one to put a mechanical dust collector on his furnace to take the dust out of the fumes before they went into the condenser system. It was kind of an inefficient dust collector, a regular cyclone type, and Schuette was an advisor to some fellows that were running the Red Elephant Mine over there.



Anthony A. Cerar and John S. Livermore, November, 1997, at the Corona Mine: Scott Furnace, constructed from sawed volcanic tuff blocks, circa 1900.

A Sirocco-Type Dust Collector at the Red Elephant Mine

Cerar: He suggested that they try a sirocco-type of dust collector. That was copied after the shape of a regular cyclone or tornado--successive cones down smaller and smaller. The fumes came in and revolved around and went clear down to the bottom of the choke and the dust separated and the fumes went out clean.

Swent: The air went down through it?

Cerar: The shape of it--it automatically went down. He suggested that at Red Elephant to try that. He said--how was it now? I've read his article--he said, "Alas, it was the cheapest and the most successful dust collector," and then everybody started using them from then on. In fact, I have the original from the Red Elephant Mine.

Swent: You do?

Cerar: Yes. It's a little six-by-six-inch square opening, and the whole thing is about six feet high or something like that. I figured on maybe putting it on a small furnace someday.

Swent: Did you know Schuette?

Cerar: I didn't know him too well, but I was working for Buckman, who came out of Tennessee, and had a chemical factory back there that needed to use mercury for a preservative for wood pulp for a paper mill. He took over this Dewey Mine up at the Geysers, which was a new mine. They set up a furnace there, and I went to work--Glen Truitt was the superintendent--and I went to work there. Schuette was their consulting engineer. He had known my uncle Jake Ansel well, and my cousins; we got along pretty good from then on.

Swent: Who's your cousin?

Cerar: Dead now, the Ansels--the oldest girl died only about 1988 in Oakland, I guess. She was ninety-five then, and her brother and sister died long before.

Swent: These are Ansel cousins.

Cerar: Ansels, yes. Schuette, a lot of practical men criticized him and all that, but I had a lot of respect for him. Curt Schuette was considered America's foremost authority on mercury geology and mercury metallurgy.

Swent: How long were you at the Helen then?

Cerar: At Helen for North?

Swent: Yes.

Cerar: I guess about four or five months or so. We didn't make anything there, and then we got out--

Swent: Were you in a partnership with him?

Cerar: Yes. He had the biggest part, about half or something like that. Four or six of us, I guess, were working there. We didn't make much at all. So I went to work at the Palisades Mine. They were hiring then.

The Palisades Mine: Very Rich Silver Ore

Swent: That's not mercury, is it?

Cerar: No, but they had traces of mercury there. At one time they had enough gold there to pay for the operation of the mine.

Swent: What were they mining when you were there?

Cerar: They were mining silver.

Swent: Was it a vein?

Cerar: Yes.

Swent: So that's quite different from the mercury.

Cerar: Quite different, yes. The richest ore was the same color--it was crumbly, though--as real tarnished silverware. Almost black.

Swent: Very rich.

Cerar: Then they had what they call peacock silver there. We got samples of that out of the ore that were the same color as peacock feathers, practically. Pretty.

Swent: What kind of mining? How did you mine it?

Cerar: Tunnel into the hill, crosscut into the hill, and then a vertical winze. That winze went down about 700 feet deep, I guess, and we were working from the 600 level up, more or less, cleaning up ore the old-timers had left behind. It was a Los Angeles mining company, and they shut down when they ran out of ore there.

Swent: But you were finding more?

Cerar: I was mucking there and then mining--drilling and blasting. When they started laying off men I went to La Libertad down south. Bachich was in a partnership on that.

Swent: This was down in San Luis Obispo again?

Cerar: Yes. Between the Klau Mine and the coast.

Swent: Why did you leave there?

Cerar: They shut down because they didn't have any ore--they spent so much money there and all that, and didn't have any ore that was worthwhile.

Swent: Was this quicksilver again?

Cerar: Quicksilver. I got a job at the Abbott Mine. They hired two fellows to prospect La Libertad there, and they picked up some awful rich ore at La Libertad. Ran out of that, and had to shut down. There's probably ore there yet.

Working at the Abbott Mine; First Time to Quit a Mine Job

Swent: So you went from Libertad up to the Abbott Mine. Where is that?

Cerar: That's right across the road from Lower Lake to Williams. That was a good mine in its day too. When I worked there they were producing quicksilver. That's the only job I quit was because the furnace superintendent was fired on account of making room for another fellow, in favor of a new superintendent that came in there. He got a job down at the Rinconada Mine at San Luis Obispo county, and I went down there, and I think I was only there about three months. They had no ore at all, only made thirty-one flasks. So I went from there up to the Helen. Fleishhacker was at the Helen.

Swent: Back to the Helen, then.

Cerar: Yes, I stayed up there about a year and Fleishhacker shut down and wanted me to stay there as a watchman. I didn't do it.

Swent: When you were at these places, where did you live? Did they provide a bunkhouse?

Cerar: Most of the mines did. At the Helen they had a bunkhouse and cabins to stay in. I would have had to batch and everything else myself. No promise of reopening the mine, but it did reopen later but they didn't produce much.

Swent: How much did they offer to pay you as a caretaker?

Cerar: Same thing I was making in the mine. It was three and a half or four dollars a day. Might have been four and a half.

Swent: Any benefits?

Cerar: Yes, they paid into social security then. A lot of these mines didn't do it.

Swent: What did you do about medical care or dental?

Cerar: Didn't need any, but if I had to, I would have had to pay for it myself. I just got a bill the other day from Blue Shield: $462 for three months now.

Swent: Isn't that awful? If they ever had an accident at any of these mines, what did they do?

Cerar: They had accident insurance. The state Industrial Accident Commission would come in, and the operator would have had to pay. Any time you ever got hurt on the job, they had to pay--if they had any money.

Swent: Did you have a car?

Cerar: Yes.

Swent: What kind of car did you have?

Cerar: At the Helen I had a 1934--that was in '41 or '42--I had an older Chevrolet pickup; I think it was a 1934 model that I completely rebuilt the engine on.

Gould's Spanish Miners and World War II

Swent: When the war started did that affect you in any way?

Cerar: Yes. I had to stay in quicksilver mines or go into the service. That was when in the service they eventually let them out afterwards to let them work in the mines, they were so short in the mines. What used to make me disgusted was that Gould had nothing but Spaniards at the Oat Hill, and most of them were aliens, while our boys had no deferment or anything and had to go overseas and get killed while those aliens stayed here and worked in the mines safely and all that. But they did hire white people at the last, native-born.

Swent: These were mostly from Mexico, were they?

Cerar: There were a few Mexicans, not many. They were from Spain. They had a lot of them at New Idria.

Swent: I suppose they had worked in the mercury mines in Spain?

Cerar: No.

Swent: They weren't experienced?

Cerar: Somebody gets started here, and then they follow over here, get a job--they never turn out to be the best miners.

Swent: So it wasn't because they were experienced Spanish miners.

Cerar: No. They never put them on the furnaces at the mine--it was always somebody from here with a mechanical inclination.

Swent: Where were you when you heard about Pearl Harbor?

Cerar: I was at the Helen, and the furnace was almost a mile away from the camp--the camp was up a windy [winding] road, above me, and I was down at the furnace. I was running the furnace by myself, and I had heard about Pearl Harbor either the day before or the same day. That night an airplane was coming over, and it was really coming fast. I shut everything down in the plant and got out and ran down the road to get out of the way [laughs]. If there was anything they would bomb it would have been the furnace or something like that.

Swent: You had radios at the mine, of course.

Cerar: Yes. That's where we heard about Pearl Harbor.

Swent: So then Rinconada was down--

Cerar: Let's see--[after] Helen, I went to Bella Oak.

Swent: Now wait--I've got Palisades, then La Libertad, then Abbott, Rinconada, and then back to the Helen.

Cerar: Yes, for Fleishhacker.

Swent: Why did you leave there?

Cerar: He ran out of money and shut down. He was trying to sell the lease to somebody else. North almost took it back, but he didn't. He could have probably. Fleishhacker held off some way, and he turned it over to Anglo-American Mining Company. That's a big mining company in South Africa right now. I saw something about them the other day. They had a big cave-in down there.

Swent: Lost a hundred men. I don't think it was a cave-in; it was a shaft--

Cerar: The locomotive went down the shaft. They can't understand that.

Swent: So then you were looking for a job again.

Cerar: Let's see--from Helen to Bella Oak, and La Joya again.

The Bella Oak Mine West of Napa Valley

Swent: Where is Bella Oak?

Cerar: Bella Oak is right in--you know where Rutherford or Oakville is in Napa Valley? Just across the valley in the foothills to the west there.

Swent: Near La Joya again, then.

Cerar: It's in the same district, but La Joya's up over the mountain. But Bella Oak and La Joya had about the same production. Bella Oak and La Joya both were taken over by Fred Bachich and a fellow by the name of Tom Mellersch--I think it was M-E-L-L-E-R-S-C-H or something like that. He was tied in with Korbel winery over in Sonoma County. The price went down, and he had ore there. The old mine never went down deep; they had a long ledge there, and they had ore in different places along that ledge, and he worked on government loans.

Swent: This was still during the war?

Cerar: This was still during the war, and he sunk this new shaft down along side one of the old stopes which was caved. The ledge went to the top, and it gradually flattened out as you went down, and then completely caved solid practically, and he sunk through all that, and the ledge was opening up again and they had good ore. But they were depending on these government loans, and it took maybe three or four of five weeks or a couple months to get a second or a third loan. Fred had no money to operate on at that time, but Mellersch put up the money and he took part of Fred's interest each time, so Fred was getting down less and less. At the last there, the price was way down too, so Fred had lost all interest and was offered a job up in Oregon at a quicksilver mine. So he went up there and shut the mine down.

Prospecting for Manganese in Round Valley

Cerar: Then I was sent up to Round Valley on a manganese prospect to work for a contractor in St. Helena. I stayed up there a year and never found much. It was the Bauer claim, I think they called it.

Swent: So you were just prospecting then.

Cerar: That was prospecting. We drove a crosscut in the hill and sank an inclined winze and all that. We got one truckload of ore out of it, was all.

Swent: It was hard work for nothing.

Cerar: Well, I worked for wages, but the outfit that had it didn't make anything.

Swent: So then what? Was the war over by then?

Cerar: I went to Basalt Shipyard in Napa for about seven months. I learned to arc weld there, and then Truitt promoted the lease on the Knoxville Mine, and I went from there to Knoxville.

The Knoxville Mine, 1945: The Best Deal

Swent: When was that?

Cerar: That was the first part of 1945, I think, when I went to Knoxville. The price went down, and Gamble shut down then, and we just continued working where he had left off in the open pit there after the price of mercury came up again then went down. The price beat us out too, eventually.

Swent: So you were a partner again.

Cerar: Yes. That was the best deal I ever had.

Swent: You were just working the dumps?

Cerar: An open pit. We started out with some dump material, but we were working on an open pit--lower-grade ore that the old-timers had left behind.

Swent: Did you have to blast?

Cerar: Yes, some--not very much. The Caterpillar dozer dug most of that rock.

Swent: You were leasing from Gamble?

Cerar: George Gamble, yes.

Swent: I see. Had you known him before?

Cerar: No, Truitt did. Truitt worked for him during all the times he operated during World War II there. Truitt was his furnace foreman.

Swent: So then he leased it from him.

Cerar: Yes.

Swent: And you were a partner with him.

Cerar: Yes, an equal partner--the three of us. Truitt, Carr, and Cerar.

Swent: And that was when you leased the equipment--or you rented the equipment.

Cerar: Rented the equipment. He only charged us $200 a month for all that equipment. One contractor told me, "He gave you that." [chuckles] But George was a nice person.

George Gamble, a Nice Person and a Hard Worker; Dredging the Creek

Swent: You liked him.

Cerar: Yes. He was a mining engineer, and he was a hard worker. He'd go right in a mine and drill a round and blast it himself and muck it out or something. The ore that they were getting out there out of the pit or dumps when he was operating was--he reopened the old Redington shaft down to 200 or 300 feet deep, and he sunk an incline shaft on top of the hill down to a certain level. Then underground he drove a long tunnel--they had a little ore in it.

##

Cerar: He had some new ore in that tunnel but it wasn't big enough to suit him. He was disgusted; he had spent $200,000 doing all this, and that was a lot of money at the beginning of World War II. He got out, and he started dredging; he had started this already; the creek from Knoxville down had an awful lot of ore in it that had washed off from dumps on the old outcrop years ago. He scraped this material out of the creek for about a mile down and made 600 flasks off of that, and he got his money back that he put underground. Then the price went way down, and he got out then or shut down. Then the price came back up, and he wouldn't reopen, so Truitt leased it. Then the price beat us out. It started out at around $150 a flask and went down to way below eighty at the last.

Swent: Did you hire other people?

Cerar: Yes. We had a couple of men working for us there.

Swent: Did you have to have a cook too?

Cerar: Yes, we had a cook.

Swent: Were the houses still there then?

Cerar: There were some new houses there that Gamble had built, and we lived in the schoolhouse.

Swent: He built a new schoolhouse during the war, I think you said.

Cerar: Oh, yes. When he reopened the mine during World War II. See, he owned it for years there and operated it; when he first went in--I think Gould promoted him into that mine, and Gould had some kind of lease on it. A mining engineer and promoter from San Francisco by the name of Bert Austin--anyway, Gamble told us that when Gould got out he kept the horse and left us the rabbit [laughs]. Gamble bought the property somewhere along in there.

Swent: He actually bought it? He owned it?

Cerar: Yes. And they used it for a cattle ranch for years--his brother did. That's how these nephews got it and have it now. Incidentally, nobody can deal with either of those two--or haven't been able to in the past--but this Joe Collizo [?] from Pope Valley is a plant botanist working for Homestake--I called him up the day after you and I were over there and told him about it and all that, and he said, "Did you go to the Red Elephant?" I said, "No, we were afraid of the road." He was supposed to go up there Sunday and do some work for them, but he didn't think he could do it because of the road. He had to go over the Red Elephant road some way or other, and he said he was going to wait until they graded it out. Something came up, and I said we had Gamble trouble again [laughs]. He had it before. Anyway, he said, "There's one of the Gamble boys that's human and that's all right to deal with." He didn't know whether it was Launce's son or George's son. George Gamble never married. Launce, his brother, had two boys, Launce and George.

Swent: That's in the next generation now.

Cerar: Yes. Might possibly someday deal with one of them. They were mean, but--that picture of that building that I showed you there with the two motorcycles was in the *Sacramento Bee*, I'm pretty sure. Right after that they tore that building down because somebody was trying to promote that for the county historical society as a historical building. I know the foreman, Otto Koopman, knew some of those people, and he said, "This is Napa Historical Society--you ought to go after that building." They were worried about old buildings in Napa Valley only. It was right after this picture came out in the paper that the Gambles tore everything down there; they filled in the pit, and they tore every foundation or site of furnaces or of the MacMillan's workings up the canyon--there were foundations for a steam engine, a hoist, and everything else, up there right alongside the road to the Reed Mine. They obliterated all that too.

Swent: That's a lot of work to go to. I wonder why.

Cerar: Yes. The furnace that North put in was up there until recent years according to Enderlin, and Gamble sold that and obliterated everything.

The Gamble Meat House

Swent: What did you say they called that stone building?

Cerar: According to Truitt and them, it was called the Meat House. I've been into that, and there was meat hangers all over in there--scales and all that stuff left over from the olden days. But the Redington Company raised their own cattle and butchered them there for the families or sold the meat to the families and for the boarding house and all that. Then the upper story there, it had an office in it; George Gamble used it as an office, but it had a counter like a regular store counter. There was a lot of room in that building. Then upstairs they stored a lot of stuff, and that's where all those pictures and stuff were supposed to have been stored. But this regular level, they had gold scales in there and everything else--and books. It was a Wells Fargo office, a hotel, a store, a mine office, a post office and slaughterhouse.

Swent: You said that the bottom was stone.

Cerar: Yes, it was stone that they quarried, built the road from there, as I understand it, and as they got underground a ways that stone was soft. They could saw it with a hand saw of some type. Maybe it was made special for stone--but they could saw it and build a building out of it, and the air hardened it afterwards. There were foundations for machinery all around the area there of that same stone.

Swent: It must have been pretty hard.

Cerar: Well, it hardened pretty well afterwards. But they made their own brick there; there's a place down the road about a half mile or so where you can see a whole pile of old brick and deteriorated brick. The Oat Hill made their own brick too; the Helen did.

Swent: So the upper story was brick.

Cerar: Yes. It's a brick that were burnt on the property.

Swent: It was made there. So when you had it, you had a furnace?

Cerar: Yes. It was the one that Gamble put in back in 1929 or '30. It was three foot in diameter by forty foot long.

Swent: It was a big one.

Cerar: You could burn forty tons a day in it, I guess.

Swent: Were you operating the furnace as well as the mine? I mean, you personally--what was your job? What were you doing?

Cerar: When we leased?

Swent: Yes.

Cerar: Oh, I worked on the furnace mostly. Truitt and I--I worked fifteen hours a day on the furnace practically, but it was intermittent. We would fill up the ore bins, burned the ore out, and then go back to working in the pit. Another partner, Floyd Carr, was an expert at operating construction equipment; he could easily keep us in ore. We had to remove overburden at times, too.

Swent: You lived in the schoolhouse?

Cerar: Yes.

Swent: It's a pretty place.

Cerar: It had a schoolroom, but in back it had quarters for a teacher--a bedroom and a kitchen. We had our beds in the schoolroom.

Swent: Did you go to Monticello then for a town?

Cerar: That was the closest town. They had a store there and a post office--and a saloon, but I didn't go to that.

Swent: Did McKenzie have the store?

Cerar: McKenzie, yes--Cook, McKenzie, and Son or something like that. It's one of these McKenzies that writes for the Napa paper.

Swent: Yes, I've met him--Bob.[1]

---

[1] Robert McKenzie, interview in the McLaughlin Mine/Knoxville District oral history project, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, in process 1998.

Cerar: He's got the most accurate information of anybody around on any of the mines up there. Very accurate. Didn't have any photographs, though--too bad that he didn't.

Monticello Valley Recalled

Swent: It must have been a beautiful valley.

Cerar: It was. I hated to see that go under. It got pretty hot there in summertime, and at night when you'd drive up the valley after you got past the town, I never saw so many of those barn owls. They were about this high, I guess [gestures]. They would be sitting on the fence there; you'd see one, and you'd go on about a quarter of a mile, and there would be another one sitting on a fencepost, right on up the valley. They were after mice and rats or anything there, I guess; there were a lot of them. There was a row of big black walnut trees along the fence in one area there, and somebody had hogs there. I used to stop to watch the hogs crack black walnuts; they'd put them in their mouth [gestures] and finally crack them [laughter].

Swent: It's all under water now.

Cerar: Yes. And up the valley, there was a lot of cattle in the valley.

Swent: It's a shame they had to flood it.

How long were you there at the Knoxville then?

Cerar: About two and a half years.

The Reed Mine and a Labor Shortage

Swent: That was a long time. Was the Reed operating then?

Cerar: Yes, the Reed was really going to town, but their main problem was to get men. They were hiring out of the employment offices in Sacramento. The superintendent of the Reed, Charlie Boyd, used to take a trip over there every week and come back with men. They'd stop at the post office or the store in Monticello, and when he got out to go back up to Reed, part of his men would be missing; they went to the saloon there [laughs]--he'd get real bums, more or less, from Sacramento. Then he'd get up to the mine, and the next day or two or three, you'd see them walking back down to Monticello from the Reed mine [laughter]. I picked up several of them and gave them rides to Monticello when I would go home on a weekend.

Swent: They didn't want to work up there?

Cerar: They had a good boardinghouse, a good bunkhouse, and everything up there. Good camp. The mine was--there was a lot of heavy ground in there, and they had to do a lot of timbering. But if you'd get enough men to catch up on the timbering and go to mining ore, they'd skip out [chuckles].

Swent: You didn't have trouble at the Knoxville.

Cerar: No. But we only had two men. Men up at the Reed mine complained about--and I asked one of them, "They furnish blankets and all that for the bed?" He said, "Yes, but no pillow." [laughter] He didn't like that. We sent an old man up there that worked around the mines to work on the furnace--they were short on the furnace. The superintendent gave him the easiest job, but it was graveyard, I think. He didn't have any mucking to do in the bins or anything like that--just watch the furnace. Around two o'clock every morning he'd start cleaning quicksilver flasks. The camp was right down below, and they made a big bell-sounding noise. It would wake up people down in the camp there, and they would complain about [laughs]--he'd do it over and over again, and then he finally quit the job and went to apply for his unemployment insurance in Napa. Boyd wouldn't go along with it or something like that. His excuse why he quit was that the work was too hard and not enough pay. And he didn't do anything [laughter].

Swent: How far up is the Reed? Quite a ways?

Cerar: Not very far--I think about a mile and a half or something.

Swent: Oh, is that all?

Cerar: The Bradleys made a mine out of that.

Swent: The Bradleys had it for a long time, didn't they?

Cerar: Yes. I think the original production in the old days was 5,000 flasks or something. Glen Truitt took Morgan North up there after La Joya one time. North wasn't interested, and Bradley came in and they really made quicksilver afterwards.

Swent: Now when you say they made 5,000 flasks, you mean total production?

Cerar: Total production in the early days. Then the Bradleys may have made--I don't know--30,000 or more after that. They had three mines that were making 300 flasks per month: Mt. Diablo, Sulfur Bank, and Reed. So they were making around 900 or close to 1,000 flasks a month. A truckload of 200 flasks of quicksilver tipped over on Putah Creek, down below Monticello someplace. The water was high, and Worthen Bradley himself was diving--I guess he had a scuba suit or something like that and was diving after those flasks. They recovered all but two, I think. They were there several days recovering them.

Swent: That would be hard; 200 flasks is a big load. Awfully heavy.

Cerar: Yes. Including the flasks and the quicksilver, it would be around between eighty and ninety pounds a flask. A hundred would be four tons or something. Almost eight tons.

Swent: How did you ship your mercury?

Cerar: We hauled ours in a small truck that we had rented up there to a quicksilver producers association in San Francisco.

Swent: Just waited until you had a load and then took it in?

Cerar: Yes. We ran the furnace more or less intermittently, and we'd get so many flasks up, and then we'd take a truckload in.

A Theft of Mercury Flasks from the Oat Hill

Swent: Were you ever worried about having it stolen?

Cerar: No, we weren't then. But during World War II, fourteen flasks were stolen from the Oat Hill; the furnace was held up. It was by a fellow that had worked with me at the La Joya for North. There was something wrong about him. Anyway, he got tied up with an ex-convict, and some way or other they knew about the Oat Hill. The furnace was a half a mile away from the camp and all that. They had to go up in the camp--no, there's a road before you got to camp, before the furnace, that went down to the furnace. They went down in there and got the quicksilver and tied up the operator. When they went out they missed the road they came in on, and they went up into the camp. In the meantime the fellow got loose at the furnace, and he called up his brother up at camp who was a furnace foreman--that was Floyd Carr--and Floyd came out with a shotgun and tried to stop them. He didn't have any shells with the shotgun [laughter]. They got by, and by the sheriff's office and everything else in Lake County and Napa County, but they got caught up with later. One of them was drunk and he was packing a gallon jug full of mercury, in Healdsburg, crossed the street and he dropped the jug and the quicksilver spilled all over there. They got to questioning him--they had stolen that from the Contact mine. In fact, he was working up there; they caught up with them that way. They each got five years in San Quentin, I guess.

Swent: It's not easy to steal.

Cerar: No. And at that price you didn't get much from it.

Swent: So you didn't take any special precautions about--

Cerar: No.

Swent: I guess I mentioned the other day I have heard people talk about these mercury furnaces and the mercury all over the walls and dripping from the trees and so on.

Cerar: After they ran these old furnaces for years and shut the mine down, they tore the furnaces down and retorted the brick and all that and dug around all over them to recover quicksilver.

Swent: And they found it.

Cerar: Oh, yes--quite a bit.

Swent: So there was some spilled?

Cerar: There was a lot of it spilled, or fumes that concentrated around there.

Swent: When did you give up the lease at the Knoxville then?

Cerar: That was in 1947, I think, or the first part of '48.

Swent: The price went down.

Cerar: Yes.

Brief Stints at a Number of Mines

Swent: What did you do then?

Cerar: After that, to Schults Brothers. Well, at Knoxville, the Mirabel had been shut down and their machinery was for sale. We bought the furnace for $500 and some of the other machinery there.

Swent: From the Mirabel?

Cerar: Yes. And then the Schults Brothers from Oregon had a lease on a quicksilver mine in Del Norte County, and they were looking for a furnace. They had no ore, though. And I went up there and worked for them for about a year, and I set up the furnace and worked underground. Never did uncover much ore. From there I went back down and worked for Buckman at the Geysers for about a year.

Swent: That was the Dewey Mine?

Cerar: It was the Dewey Mine, yes. Schuette was the consulting engineer. I took a lease on the Corona and spent a year there trying to find ore. I had low-grade ore there but nothing good enough for a retort, and there was no equipment on the property. There was some caved material that was good furnace ore. I did some work for Bob Livermore over at the Oat Hill. I drove a little tunnel for him there to patent some claim fractions and all that. There were a lot of fractions of property in between the Oat Hill claims that were not owned by the owner; still government land.

Swent: That's Bob, the youngest of the family?

Cerar: Yes. I met him the other day up there again. I hadn't seen him in years.

Swent: I didn't know he had done mining.

Cerar: He took care of the Oat Hill at the time, more or less, and they were trying to patent those fractions of claims. In fact, one partial claim was jumped by this Anderson up there, and they had ore there that they worked on for years. The furnace that Gould put in was dumping on Anderson's property, and Anderson was charging them for that [chuckles]. He was a slicker.

From Corona I went up to the Geysers again. Truitt had a ranch up there--a sheep ranch or a cattle ranch--that he didn't do much with. He had a few head of cattle, but they had some quicksilver prospects on it; he talked the Sonoma Quicksilver

Mining Company that had the Guerneville mine, to leasing his mine. They went up there and did quite a bit of diamond drilling, or core drilling. I worked at that. So they quit that; they only did so much work. Then I went to the Kissack prospect down the canyon and drove part of a tunnel down there.

Swent: For whom?

Cerar: Kissack brothers was for a fellow by the name of Ed Haczela, a real estate man from Cloverdale. He just put up so much money to do so much work, so I was out there. I went over to the Granada Mine by Oat Hill and helped retimber part of the tunnel. Then I was out of mining for a while and went over to the Baker Mine about four miles down the Morgan Valley Road from Lower Lake. That was an outfit from out in Trinity County. They had a new quicksilver prospect up there, and they hauled the ore down to the Baker and fired it in the furnace, and it wasn't worth it. And that's the last mine I worked in for anybody.

Holding the Lease on La Joya; Insurance Requirements

Swent: But now you have the La Joya again.

Cerar: According to my lease, I have to have a million dollars worth of public liability insurance to protect the owner of the property from anybody getting hurt there. I went through two insurance companies already, and my agent is trying to get it again, but he's having trouble. Nobody wants to have anything to do with a mine. But it's got nothing to do with the underground work; it's only surface.

Swent: Who are you leasing from?

Cerar: Russell Dizmana.

Swent: He's not a mining person.

Cerar: He's not in mining, no.

Swent: He just has it as an investment.

Cerar: Yes.

Swent: It's probably a pretty good investment for him if you just keep on paying him for the lease.

Cerar: Yes, or if I found any ore there.

Swent: But you have to get this insurance before you can mine.

Cerar: Before we do anything up there, I should have this insurance. I had insurance through Travelers; they gave up all that type of work. I've forgotten who the other one was before. And I had another one after Travelers, but they quit insuring.

Swent: You have the permits to mine? Is that a problem?

Cerar: No, not with Napa county, as long as you don't do anything big. As long as you don't dig out over a thousand yards of rock and create a waste dump that size or anything like that--then you go into a bigger permit.

Swent: So it's just the insurance that's the problem.

Cerar: It's just the insurance that's holding me up now. I called my insurance agent in Vallejo the other day--"I'm working on it now," he always tells me that. "I'll have it this week," and all that, but it goes on and on.

Swent: This would be to cover any people that were working there?

Cerar: No, any people that came on the property and were hurt. Because people do walk through there.

Swent: Well, that's too bad.

Cerar: I think I'll get insurance yet.

Swent: Is there still a market for mercury?

Cerar: Oh, the price has been going up; it's up to 250 a flask now, but that isn't very much; it should be 2500, in relation to everything else.

Swent: It used to be higher than gold for a while.

Cerar: Gold has come up a little bit. Platinum is way higher, but there's no platinum in the United States, I guess--or not much.

Swent: Some up in Montana somewhere.

Cerar: They're talking about diamonds now up in that country. I don't know what the future of quicksilver is going to be because they've cut way down for dental fillings, and yet they made a study on that and there are no after-effects. But a lot of people are scared of it. It's more or less being cut out. And then that barnacle-proof paint for ships--they cut that out completely. I guess it's used for medicine and electrical work yet. That book that Schuette came out with for the state of Oregon lists about 200 uses, I think, for quicksilver back in 1937.

Swent: Do they still use it in batteries?

Cerar: Mallory I think use it in batteries yet, but they've cut way down there.

Swent: That's too bad. Well, I think we've covered the mines pretty well. What else do we want to talk about? Do you have anything else you want to say?

Cerar: You said you wanted to go up to the Red Elephant some day?

Swent: Oh, I'd love to go up there. I'd still like to try to find the cemetery.

Cerar: I think we could find it pretty easy now. That road turns right over on the ridge; it goes right down past it some way.

Recollections of the Manhattan Mine##

Swent: We didn't mention the Manhattan. That's the one mine you never worked at.

Cerar: No. I had a chance to go there and work on the furnace and maybe the mine too, during World War II, after the Helen--after Fleishhacker shut down. But I didn't take it.

Swent: Who was operating it then?

Cerar: Charlie Wilson and Bill Hickock had a lease on it. They were more or less old-time miners--especially Charlie. He promoted some money some way or other or else promoted some company in there, and they set up a small furnace the same size as the Mirabel furnace--thirty inches in diameter by thirty feet long, a Cottrell furnace made in Los Angeles. That was Gould's competitor. Cottrell made mostly small furnaces.

Swent: Didn't Cottrell make dust collecting equipment?

Cerar: That was a different Cottrell. He was a mining machinery manufacturer. He made everything. I guess he more or less copied or something; he was very capable, but he made several quicksilver furnaces around the country. Anyway, one was set up at the Manhattan Mine, but I don't know how much quicksilver they made or anything, but it was out of there when we were at Knoxville. Charlie and Bill Hickock had gotten a lease from Mr. Gamble over a certain piece of property near the open pit at Knoxville. Charlie had worked for George Gamble before the war, back in 1930, and Gamble had a tunnel into the hill on the county road level. He had some ore back there and all that, and they got out--I guess it dropped in price or something--and got this gold mine up by Alleghany. Moved everything up there, or at least his crew. Charlie took measurements and everything else and the direction of where this ore was left there, and then they came back just before we got into Knoxville, and he sunk about a 110-foot vertical shaft--he and Hickok--down to where this ore should be, and he hit the ore. Hickock became ill afterwards from cancer, and Charlie couldn't work it alone, but he talked Gamble's former mine foreman, Otto Koopman, into going in with him as a partner and they mined out the last of the ore or the best of the ore, and Koopman wasn't too interested. They were burning the retorts right along, and Charlie made a deal with Truitt to burn their ore in the Knoxville furnace, which we did.

Swent: So you were treating their ore.

Cerar: Yes, the last ore that they had. They made about forty-four flasks or something like that. But Koopman always figured we should have made fifty flasks; he knew quicksilver ore well. But the last shift we burned on their ore was the best ore that they had, and Glen Truitt got mad or jealous or something at Koopman and Wilson, so he neglected to burn their ore hot enough. They let the ore come through black, and it should have come through cherry red or hotter. So they lost several flasks there. I tried to explain that to Koopman afterwards, but he was such a good friend of Truitt's that he wouldn't listen to me.

Swent: Where were they getting this?

Cerar: They were mining out east of the open pit--not too far away from the old shaft up on the hillside there.

Swent: Down on the Gamble property?

Cerar: On the Gamble property. Knoxville. But Charlie always had faith in the Manhattan. I don't know if he knew about gold there or not, but the old bulletins quote gold there--something about five dollars per ton samples and all that, and that would have been a lot today. Homestake came in and worked on the mines over the hill from the Abbott Mine. There's the Wide Awake Mine in there; Mr. Gamble had done a lot of work on that one time.

Swent: Wide Awake?

Cerar: Yes, it's a quicksilver mine. He sunk a shaft there--I think a 500-foot shaft--but the ore wasn't good enough for him, the gold wasn't. And I guess the cinnabar wasn't.

The Manzanita Mine: Nuggets of Cinnabar and Gold

Cerar: And then there was the Manzanita Mine in that area, and there were two or three others. The Manzanita, was worked both, and separately, for either gold or cinnabar at one time or other. They say that nuggets that came out of the Manzanita were part gold on one side of the rock and cinnabar on the other.

Swent: So there had been mercury and gold together.

Cerar: Yes, at the Manzanita and some other place in the world. Not very often--it's scarce. Manzanita Mine was worked for cinnabar by--what was his first name? There were two Davey brothers--Hugh Davey was their father, and he was a big quicksilver operator in the early days. One of the sons, Lillburn Davey, operated the Manzanita and had concentrating tables and all that, but never did have a furnace there. Had retorts and a table for cinnabar. One of the last operators, I guess, of the Manzanita.

Swent: I didn't realize they ever used tables for cinnabar.

Cerar: Gold concentrating tables? Yes.

Methods of Concentrating Cinnabar

Swent: For cinnabar?

Cerar: Yes, it worked on cinnabar, but cinnabar is lighter than gold, and they would lose more. Morgan North tried that at Helen--that's when I worked for him--and then they built sluice boxes after the table with riffles in, and the sluice boxes got most of the cinnabar. But the material was clay, and you'd have to go along with a rake and rake it out of the riffles every so often, about every hour. So cinnabar could be collected by sluice boxes, more or less.

Swent: Did they use any other material or chemical or anything in it?

Cerar: The ore or the rock?

Swent: Or just water and gravity?

Cerar: Just water and the crushed rock. You can't crush rock and concentrate cinnabar because they flour too much of the cinnabar, and it goes to waste. They go to flotation afterwards, like gold, and collect it. There was a big table operation at the Oat Hill Mine after the Boston Company shut down in 1910--Newcomb was the superintendent, and some way or other his two sons got hold of the Oat Hill and owned it at one time--a fellow by the name of Sittig was in on it, and Newcomb had a big concentrating plant, several tables, and sluice boxes and everything else there. He was doing good, I guess, until the beginning of World War I. He got out or sold out to a fellow by the name of Murray Innes, who worked the underground. Newcomb quit somewhere in there. That was the most successful table operation or concentration of cinnabar of any mine. But at the Oat Hill, ore was concentrating dumps, and it was friable material.

Swent: Did Charlie Wilson mine the Manhattan as well?

Cerar: Yes. Small-scale. He leased there and mined there.

Swent: You said he was a nice man. But he never made it rich--didn't find the gold?

Cerar: I don't know if he knew gold was there or not. But the old-timers did, according to the old bulletins.

Swent: Where is the Manzanita?

Cerar: That's over the hill from the Abbott there. I don't know what they call the creek that goes up over the mountain there--Summer Creek or something like that. The Manzanita was along that, and Wide Awake, and some others. Hot sulfur water comes out of one of them. But the Wide Awake Mine is the one that Homestake tested first before they ever got to the Manhattan.

Swent: Oh, is that what they call the Cherry Hill?

Cerar: Could be. But anyway, they ended up at the Manhattan, and did a lot of drilling there before they went after a permit.

Homestake's Secretive Drilling Program and Overwhelming Expertise

Swent: Did you know when Homestake came in?

Cerar: No, I didn't. They were pretty secretive about it, especially the Manhattan.

Swent: Did you hear people talking about it?

Cerar: It was announced in the paper only, about this gold find in Napa County.

Swent: And that was the first you heard of it?

Cerar: Yes. They had set up a grid there of holes drilled so far apart and all that, and then after they got mining they were pretty disappointed there for a while because they should have put double the amount of holes down for samples, because in between samples it wasn't as good sometimes.

Swent: Were people pretty excited about it?

Cerar: I don't think so. Businessmen or politicians were.

Swent: Where were you living at that time?

Cerar: St. Helena.

Swent: You were living in town?

Cerar: Or maybe up at the Geysers part of the time.

Swent: It didn't cause much excitement?

Cerar: No. Well, I think after they announced it, it started to cause excitement. They more or less overwhelmed the politicians--the planning commission and so forth--and supervisors--with expertise. The experts they hauled in. I know particularly they brought one geologist in by the name of Goldman, and I was surprised to see him. I went to one of the hearings, and he was there. I'd been up against him at the Geysers; he was a geologist for one of the promoters that promotes some steam wells up there. They drilled right in a big dormant landslide--I knew about that from government reports, and he denied that was a landslide and all that. But later on, their own geologist--their permanent geologist--said they should never have drilled there. Of course, the outfit never did find much steam, though. They talked the State of California into going in there and spending millions of dollars to put in a steam plant, and then they never got the plant set up. They bought a turbo generator from Italy, I think, and it's stored down near the dock somewhere and paying rent for storage all this time.

Swent: What kind of generator?

Cerar: A geothermal steam generator. A turbine electric generator.

Working at the Geysers Geothermal Project

Swent: How did you happen to go up to the Geysers?

Cerar: Well, I was working for Kissack. Then a promoter from Los Angeles came up there and got a lease on the Geysers, and he sent an old man up there, a cousin of his, to do some checking and testing, and this fellow knew Glen Truitt, and they came to me for help up there. I was the first one ever hired up there. They had done previous work in the Geysers and had some wells drilled there from 1920 to 1926 or '27. They laid idle, blowing in the air all those years. The first company that started development had a chance to sell that whole area to Southern California Edison. Edison offered them a million dollars, as I understood it, back in the twenties, and they doubled the price instead--they wouldn't sell. Consequently, it sat there all those years and some of the people died and everything else. Truitt had some property down the canyon from there; they would have gotten $250,000 for it if Edison had bought.

Swent: So what were you doing for them?

Cerar: I did everything like drilling, blasting for roads, and for a cellar to drill an oil well through, and the pipe welding and everything else.

Swent: Did you have a crew to help you?

Cerar: Yes, a couple of men.

Swent: Did you work on contract with them?

Cerar: No, I just worked for wages.

Swent: You were there quite a while.

Cerar: Seven years.

Swent: What company was it?

Cerar: The first was Magma Power then Thermal Power, but Geyser Development--that was the what the old stockholders from Los Angeles were tied up in, and a fellow by the name of Bob Bering was in both.

Swent: But PG&E [Pacific Gas & Electric] went in there.

Cerar: PG&E came in later. I started in 1955, and PG&E came in around 1960. They tested up there for a full year on that one well before they ever committed themselves.

Swent: Did you work for PG&E?

Cerar: No, only Thermal Power. Then they sold out to Union Oil afterwards.

Swent: Okay, well, I guess that pretty well covers everything I wanted to ask you. Anything else you want to say?

Cerar: No, I don't think so. There's probably a lot that I'll think of later.

Swent: If you do, you can always make a note about it.

Cerar: Have you got all that about the discovery of Knoxville?

Swent: The discovery of Knoxville? You mean in the 1860s?

Cerar: In the sixties, when the county built that road that was supposed to be a highway from Monticello to Lower Lake, some people in the county were putting money into prospecting for silver all over the county; they had a couple of prospectors hired and so forth. The prospectors were drawing $250 a month, as I understand it, and they weren't too much interested in anything, but they got over by Knoxville and they found that the rock there had this peculiar color in it--liver colored weathered cinnabar. They had it tested, and it was cinnabar. They made the remark that the ignorant workmen had thrown tons of good, high-grade ore over the bank. That's when the XLCR Mining Company was formed, then Redington.

Swent: And then Boston. And then Knoxville.

Cerar: And MacMillan in between Boston and Redington. He had quite an operation in a whole new area. Redington operated from the late sixties to--I think it was sixteen years--to 1882. They got completely out of there in 1882, and MacMillan came in in 1890, and he was there with a hoist and everything else, and moved up the canyon, sunk that shaft, and he knew of a prospect up there to start with. They got to working on it and mining out ore, and it turned into a mine. He was there for about eight years to 1898. And then Boston came in--

Swent: That was a big boom time then. Is that when it boomed?

Cerar: I guess. Boston came in in 1900, and they must have shut that down around the time they shut down Oat Hill about 1909 or 1910. They sold a lot of quicksilver at twenty-five dollars a flask, but most of it at thirty to thirty-five.

##

[Added by Cerar when the transcript was reviewed]

Charles Livermore, superintendent for Redington, would not prospect where the State Bureau of Mines suggested. The Boston Company later did a lot of thorough prospecting and opened up new ore bodies at Knoxville to nearly double Redington's production.

[End of addition]

Swent: Thank you very much, Tony, for all the information you have shared.

Transcriber: Gary Varney
Final Typist: Shana Chen

Regional Oral History Office
The Bancroft Library

University of California
Berkeley, California

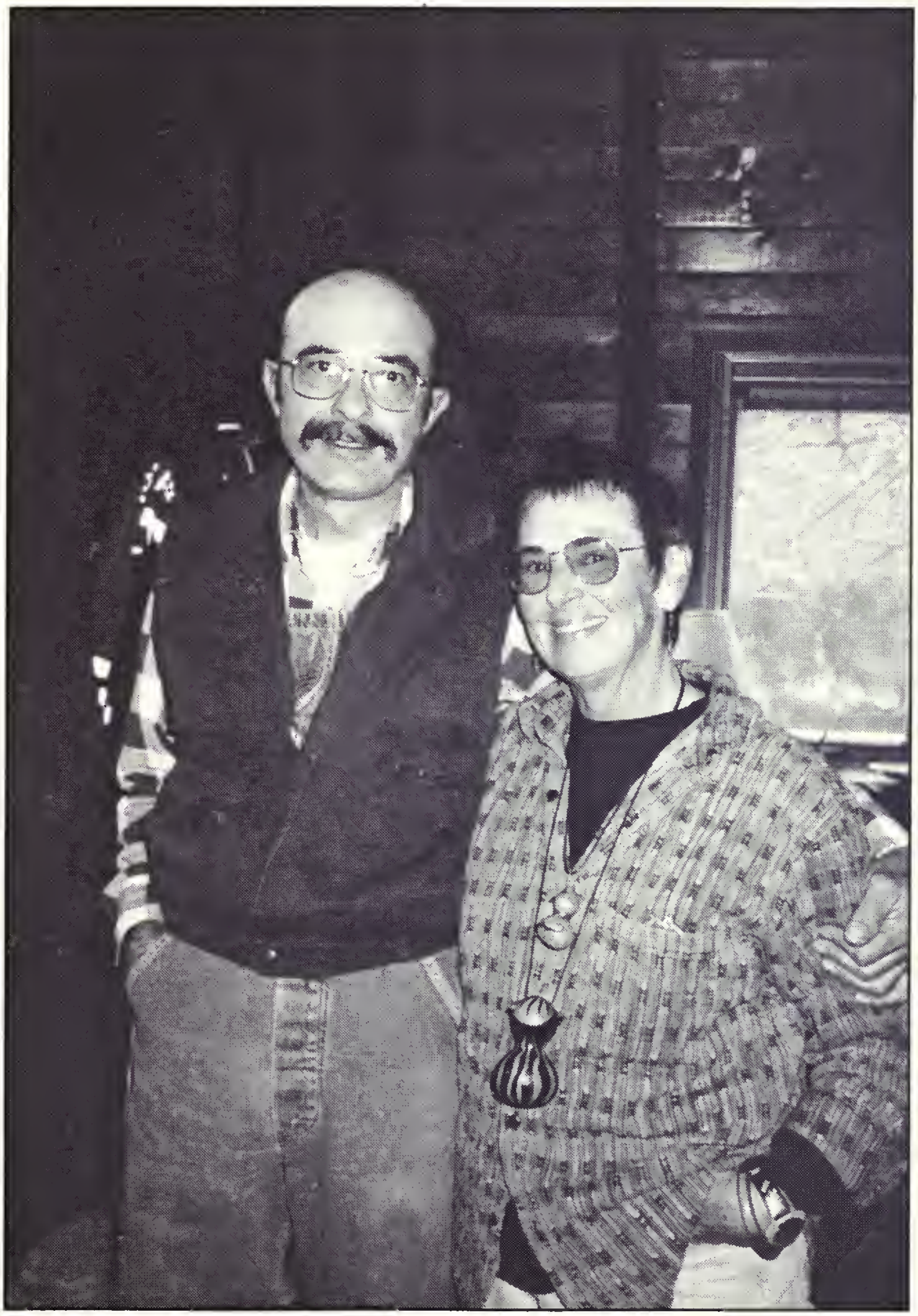
Western Mining in the Twentieth Century Series
Knoxville/McLaughlin Project

John P. Ceteras

ORGANIC FARMER IN YOLO COUNTY

Interview Conducted by
Eleanor Swent
in 1996

Copyright © 1998 by The Regents of the University of California



John and Gretchen Ceteras, Blue Heron Farm, 1996.

TABLE OF CONTENTS--John Ceteras

INTERVIEW HISTORY 62
BIOGRAPHICAL INFORMATION 63
Growing Up Near Youngstown, Ohio, 1944-1970 64
The Capay Valley Since 1974, and Organic Farming 66
Son, Noah Ceteras 68
Chairman of the Capay Valley General Plan Committee 70
President, Rumsey Water Users Association 75
An Early Tour of the Mine Site at Homestake's Invitation 77
An Introductory Meeting at the Guinda Grange Hall 79
Professor Will Baker 82
Dr. Robert Speirs, Immunologist 83
The Issue of Mercury Contamination in Davis Creek 83
The Fight to Get Fish Introduced into the Davis Creek Reservoir 85
Delaying the Permitting; Three Counties Divided and Conquered 87
The Effort to Get the Williamson Act Amendment on the Ballot 91
Member of the Technical Review Panel 93
A Change of Analytical Labs Causes Problems 98
The Reed Mine Cleanup 100
Sierra Club Involvement 102
Politics and the Technical Review Committee 104
Looking 500 Years Down the Road 107

INTERVIEW HISTORY--John P. Ceteras

John Ceteras, owner of Blue Heron organic farm in the Capay Valley, was in the early 1980s (and still in 1996) chairman of the Yolo County general plan committee and is the citizen member of the technical review panel for the environmental monitoring of the McLaughlin Mine. He represented residents who were opponents of the McLaughlin Mine and in particular of the Davis Creek dam, and it was important to include this point of view in the oral history project.

The invitation to participate was sent in August 1994 and the interview was held on 7 February 1996, when his farm work finally let up so he could take a few hours off. Driving north beyond Esparto, one passes a rancheria and casino which even at 8 a.m. has a crowded parking lot, but in general the area is agricultural, with groves of oranges and almonds, and a few roadside stands selling fruit, nuts, and star thistle honey. A historical marker indicates that the Capay School was the longest existing school in California on the same site, from the 1870s for nearly a century. The Ceteras home is an A-frame house charmingly furnished with arts and crafts collected by his wife Gretchen Spreckels Ceteras during her Peace Corps days in Sierra Leone and travels in Latin America. During the interview she went off to work in her studio where she decorates hard-shelled gourds grown on their farm.

John Ceteras, born in Ohio in 1944, is the son of Romanian immigrants; his father was a foundry worker who also liked to garden. John studied business in college, managed a paint store, played in a dance band, and became a landscape gardener as an escape from a way of life with which he had become disenchanted in the 1960s. He belongs to the Certified California Organic Farmers, and devotes himself to developing a "sustainable agriculture system". He is a member of the volunteer fire department, and also president and superintendent of the privately-run Rumsey Water Users Association, probably the oldest irrigation district in the state.

In his interview he gives the background of the general plan committee which was established as a grassroots citizen committee, and eventually reached the consensus "that most people wanted to maintain the agricultural integrity of the valley." Speaking of his decision to live there, he says, "If I had it to do all over again, I would do it exactly the same way."

He was one of the first in the county to be advised by County Supervisor Twyla Thompson of Homestake plans for the mine, and he tells of accompanying her on a tour with Donald Gustafson, Homestake geologist, to the area then:

> We got to see the old mercury mines, the old equipment and abandoned containers, God knows what was in them, piled in the arroyos and the ravines, and all the good little waterways that were obviously polluted from misuse over the years. Yes, we got an eyeful.... The main pit area where they were looking, where they were finding their micro-amounts of gold, was pretty well chewed up already from the mercury miners....The magnitude of what Homestake was proposing was ...quite gigantic....So I had my doubts as to whether they could pull that off without causing environmental problems.

He gives his view of the community reaction to Homestake's proactive policies of having video-taped public meetings:

> There were a lot of principals there from Homestake, and they were lined up. And they had their lawyers with them. So I recall that there was a lot of discomfort by all this hoopla, so to speak, that they were putting on there.

He reflects on the motivation of the group who appeared in opposition at the various meetings and hearings:

> How would it hurt us, if at all? And Homestake contended that it wouldn't, and we suspected that it would. So we tried to, if nothing else, make sure that they did as comprehensive a job as humanly possible to eliminate the risks.

He discusses in detail the controversial failed attempt to have a ballot initiative on withdrawing the Davis Creek area from the Williamson act to allow non-agricultural use. He gives an alternative version of the local Sierra Club's "approval" of the mine:

> My understanding was that person was then basically silenced by the leadership of the Sierra Club for stepping out of line and making a statement like that without the concurrence of the rest of the folks in the chapter.

He tells what went on behind the scenes in the naming of the public members of the technical review panel, and concludes, "It's no question in my mind that it has kept everybody honest, including the researchers, because it's their work that we criticize."

He also evaluates critically the statement in the Knoxville District/McLaughlin Mine oral history project prospectus that the three counties cooperated in the process to grant the permits: he thinks the three counties fragmented the process. This interview serves to validate oral history as an illumination of the personal views that resulted in the written record.

The tapes of the interview were transcribed in the Regional Oral History Office, lightly edited, and sent to John Ceteras for review in April 1997. He made a few spelling corrections and returned the transcript promptly. The manuscript was corrected and indexed at our office. The tapes are deposited in The Bancroft Library and are available for study.

The John Ceteras interview is one of more than forty interviews which were conducted by the Regional Oral History Office from 1993-1997 in order to document the development of the McLaughlin gold mine in the Knoxville District of Lake, Napa, and Yolo Counties, California, from 1978-1996, as part of the ongoing oral history series devoted to Western Mining in the Twentieth Century. The Regional Oral History Office was established in 1954 to record the lives of persons who have contributed significantly to the history of California and the West. The office is a division of The Bancroft Library and is under the direction of Willa K. Baum.

Eleanor Swent
Project Director, Research Interviewer/Editor

Regional Oral History Office
The Bancroft Library
January 1998

Regional Oral History Office
Room 486 The Bancroft Library

University of California
Berkeley, California 94720

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name JOHN PAUL CETERAS

Date of birth 11-21-44 Birthplace GIRARD, OHIO

Father's full name GEORGE CETERAS

Occupation FOUNDRY WORKER Birthplace ROMANIA

Mother's full name MARY BUCKELEY CETERAS

Occupation HOMEMAKER Birthplace ROMANIA

Your spouse GRETCHEN SPRECKELS CETERAS

Your children NOAH JOHN CETERAS

Where did you grow up? GIRARD, OHIO

Present community RUMSEY, CA.

Education JUNIOR IN COLLEGE

Occupation(s) MUSICIAN, PAINT STORE MANAGER, PRE FARMER
YARD MAINTENANCE + LANDSCAPE WORK, FARMER FOR PAST 22 YR.

Areas of expertise ORCHARD MANAGEMENT

Other interests or activities BOATING, FISHING, PRO + AMATEUR SPORTS,

Organizations in which you are active CAPAY VALLEY FIRE DEPT.
CAPAY VALLEY GENERAL PLAN COMTE.,
HOMESTAKE TECHNICAL REVIEW PANEL, CALIFORNIA
CERTIFIED ORGANIC FARMERS, RUMSEY IMPROVEMENT CLUB,
RUMSEY WATER USERS ASSOC.,

ORGANIC FARMER IN YOLO COUNTY

[Date of Interview: February 7, 1996]##[1]

Growing Up Near Youngstown, Ohio, 1944-1970

Swent: This is Eleanor Swent interviewing John Ceteras in Rumsey, California, on February 7, 1996. So here we are at the Blue Heron Farm on a beautiful spring morning. We're going to talk about the development of the McLaughlin Mine right here, ten miles away, I think?

Ceteras: Yes, I'd say so.

Swent: But over some pretty rough mountains.

Ceteras: Yes, as the crow flies.

Swent: Right. In a sense, you can't get there from here. It's through a pretty rugged canyon area. And the impact primarily was because of the Davis Creek Dam.

Ceteras: That is the area that's in Yolo County.

Swent: Right. But before we get into that, let's introduce you. I'd like you to tell some of your background and how you came to be here. When were you born, John?

Ceteras: I was born November 21, 1944.

Swent: 1944, and you said in Ohio.

---

[1] This symbol (##) indicates that a tape or a segment of a tape has begun or ended. A guide to the tapes follows the transcript.

Ceteras: Yes. Near Youngstown, Ohio. Went to school in Ohio, and after graduation, during my high school years and just after graduation, I was involved in a little dance band, I guess you'd call it, a little rock-and-roll band and dance band.

Swent: What did you play?

Ceteras: I played the drums, and we had a guitar and an organist and saxophone.

Swent: This was early sixties?

Ceteras: Yes, early and mid-sixties. I also went to work for the Glidden Paint Company, and eventually was managing a small store for them and selling paints and carpeting and draperies.

Swent: This was in Ohio?

Ceteras: In Ohio, yes.

Swent: Did you have any farming connection?

Ceteras: No farming connection beyond--my dad always had a family garden at our house, but he was a mill worker, and he would do that in his after-work hours and on the weekends.

Swent: Were your parents born in Ohio?

Ceteras: My parents were born in Romania. My mother came over here at about one year old, and my father left home at about age fourteen and came to America, and traveled around trying to find work. Ended up as a mill worker in Youngstown, Ohio, working in a foundry. So that was when they settled, and he met my mother there in Girard, Ohio, where I was born. They married and had four children. I'm the youngest of four.

So anyway, that's where I grew up, was in Girard, Ohio, a small town outside of Youngstown, Ohio. Industrial, very industrial area. I guess in my early twenties, I became somewhat disenchanted with the business world and also the industrial atmosphere that I had grown up in, and I had friends that I went to school with that came to California to go to work in the aircraft industry. I ended up paying a couple of visits to California, and finally ended up moving out here around 1970 or so, I guess it was.

I worked as a--I got more interested in landscape and yard maintenance work as a way to earn a living out here, and did that for a few years.

Swent: Did you work for someone else?

Ceteras: Worked for someone else, and then I also worked on my own eventually.

Swent: You said that you had gone to college.

Ceteras: Yes, I did. I went to the Youngstown University School of Business into my junior year. I went to night school, because I was working as a musician; I was working at the paint business, and also going to school, so I was always doing something.

Swent: But you were studying business.

Ceteras: Studying business. I was being groomed, trying to groom myself and being groomed by the SCM Corporation. But as I say, I became somewhat disenchanted with what that life held out as a way of life, I guess, and ended up coming to California, and got involved in the yard work and landscaping and gardening.

The Capay Valley Since 1974, and Organic Farming

Swent: Where was this?

Ceteras: In Berkeley, and also in Aptos in the Santa Cruz Mountains.

I came to the Capay Valley because a friend of mine bought a farm up here. I think it was--I actually came up here and visited the first time in like 1974, and really fell in love with the place. I was also dating my wife-to-be, Gretchen, and brought her up here, and she really loved it.

Swent: It's easy to see why.

Ceteras: So she actually went looking around at properties, and found the place that we're now living on, and together--I had saved up some money, and she also had some money saved up--and we pooled our resources and bought this place.

Swent: Was the name yours, or had it the name already?

Ceteras: No, the name is ours. We both loved the blue heron birds that frequent the stream, Cache Creek, that we live near. We started out basically farming conventionally, doing what all the other old-time farmers had always done. But both of us had always had some interest in organic food and organic growing, but having--I had done my organic farming in a little 50-by-50-foot plot of ground, and when I looked at twenty acres, it just seemed like maybe it wasn't really going to be feasible. So I took the old route of spraying and chemical use to keep everything tamed down and under control.

But neighbors of ours got involved in organic agriculture, and I began meeting other young farming families up in the valley and Woodland area, and also looking at the economics of doing things conventionally versus organic, it seemed like we might be able to be more profitable if we grew organically and did all of our own marketing. So when we needed a farm name, why, we settled on Blue Heron Farm.

Swent: It's a lovely name. What was growing here when you came?

Ceteras: It was basically a dilapidated almond orchard. Took a lot of the trees out right off the bat, but we did have actually a pretty good crop the first year or two we were here, and so we took advantage of that and kept a lot of the trees in, and tried farming them. But as time went on--I really like citrus, and my neighbors had citrus. There were a few old citrus trees on this place that had survived since the thirties. Also, the walnuts were coming in strong, and I like working with trees, so we decided to start taking out old almond trees and putting in either citrus or walnuts in their place. Then over the years, we've pretty much eliminated all of the old almond trees, and now we have younger walnuts and oranges, and we've kept some ground open to grow some row crops like tomatoes and the hard-shelled gourds, which my wife uses in her art work.

Swent: She does beautiful things with them. I think it's the walnuts that are grafted onto an old trunk.

Ceteras: Yes.

Swent: Are the almonds also grafted?

Ceteras: Yes. So are the oranges. They all have a particular rootstock that the actual fruitwood is grafted onto, and it makes for a more productive tree, a sturdier tree. In the case of the oranges, we have a rootstock that will tolerate the lower temperatures, because being in the northern part of the state, we do occasionally get frost and sometimes even freezing temperatures, so we use a rootstock that is resistant to that, but it's not as productive a rootstock as some of the others that are used in the southern San Joaquin and the bigger orange-growing areas. But it has worked very well for us.

Swent: So you're totally organic now?

Ceteras: Yes.

Swent: And what does that mean?

Ceteras: Well, it just means that first of all, we belong to an organization called the Certified California Organic Farmers, and there are a whole set of guidelines and rules of what sort of materials we're allowed to fertilize with, or control insects with, methods of weed control that basically all eliminate the use of hard chemicals. So it is basically giving up the chemical fertilizers and pesticides, and also learning to bring the soil back to life again, which--during the years of the old farming methods, soil organisms all took a beating pretty much from the chemicals that got put onto it and washed into it. So we're trying to restore that and become what has come to be known as a sustainable agriculture system, and something that is alive and working without a lot of chemical inputs to try to supercharge everything, trying to reach more of a natural equilibrium.

Swent: Do you have employees?

Ceteras: Occasionally, we will hire an employee for a part-time job. Certain harvest operations require that I have some help. As our operation matures, because we do have a lot of young trees in, I will probably need more help, and we're not getting any younger either. But right now, I try to do everything myself that I can, just to save money and make ends meet, so to speak.

Son, Noah Ceteras

Swent: You said you put your son to work, too.

Ceteras: Yes.

Swent: He's at Chico now?

Ceteras: Yes. And I do have the help from my son occasionally. Being in college now, he comes home on weekends and helps with some of the chores that need doing. Right now we're busy harvesting oranges, cleaning and packing oranges, and delivering.

Swent: Yes, it has taken us a long time to find time to interview, because you're busy year-round, really, aren't you?

Ceteras: Yes, I'm afraid so, yes.

Swent: You seem always to be doing something. Is your son interested in this kind of thing? What does he think?

Ceteras: I think right now, he hasn't really--I don't think he's really interested in farming at this moment. I think that he likes the life we have out here also, but he sees that it's a struggle in an economic sense to make it year to year, and I think he has his sights set on a more high-paying job doing something else than farming. But he knows that it is always here, and that I would welcome him as a partner or work out some sort of a--we would probably have to expand a little bit in order to make it work for two families, but that's always there as a possibility. But right now, I think he has other things in mind.

Swent: So when you came here in you said about 1974--

Ceteras: My first visit, yet. And we actually bought the place in '75.

Swent: Just twenty years ago. And what were some of the issues in the Capay Valley at that time?

Ceteras: Well, you know, it takes a few years to catch on, or at least when you're brand-new in an area, but--

Swent: Well, let me ask you: as a newcomer, were you welcomed?

Ceteras: Yes, I felt that we were very welcome. There were a lot of families in the valley here that go back for several generations, back to the 1800s. I think that those people for the most part could appreciate that there were--you know, their own children, so many of them, probably the majority of them, left the valley, or their grandchildren, for other pursuits. There has been a real dearth of--I think that's the right word, dearth meaning shortage?

Swent: Yes.

Ceteras: Of younger people interested in picking up the farming life, and in a certain sense, this area has become sort of a retirement community for folks that had worked all their life in the city and want to move out of the city, but they're really not aggressively farming the ground. They look for the preferably smaller pieces, and with a little bit of farming involved, but most of them living on pensions and retirement funds money.

So I think we were--we went to work here, and we've worked very hard ever since we've been here, to bring the place back up and make it a working farm again, and I think that the old-timers--because there is a sense of almost a closed community in one sense, that newcomers are always viewed with somewhat suspicious minds. But I felt when we were--we had a wedding party here at the farm when Gretchen and I were married, and we basically posted a notice at the post office inviting the whole community to come over, and it was amazing just how many people did show up. Some of the--there were two or three matriarchs of some of the oldest families that got over here, and they were in their nineties. I felt somewhat blessed by their presence, that they would consider coming out to see us and congratulate us.

So yes, I--. And then, of course, controversies that do arise, and they have over the years, you will sometimes get some of the old feelings coming back; that is, "Well, you're a newcomer, you've only been here for five years now, or ten years. Back in the old days, we did it this way, or we did it that way." Sometimes those things do get stirred up, but--.

Chairman of the Capay Valley General Plan Committee

Swent: Specifically, what would be some of the things that bring back--

Ceteras: Well, we got heavily involved in the general plan development. I am still the chairman of the general plan committee in this area, and it was our job in the early eighties to develop the general plan, which is basically a development plan for what the future would be of the Capay Valley area. And so there was just a lot of controversy. We found that most people wanted to maintain the agricultural integrity of the valley. We also had developers on the doorstep that could see a lot of one- and two-acre, maybe five-acre ranchettes where people could have their horses and build a nice home and retire to, and even some new subdivisions just like you would find in any city. And we found that again, most people really didn't want that, didn't want to see that happen, but it just depends on whose ox is being gored, because you know, there were a few older folks that said, "Well, look, you know, I've worked all my life, I've got this hundred acres. Why shouldn't I be able to sell it in five-acre pieces and make a whole pile of money for me and my family? These people have done it over in Walnut Creek and Sonoma and so forth, and you're trying to deprive me of an economic benefit."

So there were all sorts of feelings stirred up during those years. The very fact, however, that--first of all, nothing ever gets done if you don't step forward, or if individuals don't step forward, so I guess that's where we have sort of become somewhat active. I mean, we weren't afraid to step up to the microphone, I guess, and speak as far as our feelings, and the very fact that I was elected by the valley to be the chairman of the committee, having only been here for about six or seven years at the time, shows that certainly people--minds weren't really set in concrete or anything. I think they tried to judge me on what I was saying and what I stood for. And the majority agreed.

Swent: How is the valley determined? How is it delineated?

Ceteras: The north end is the Colusa County line. East and west is delineated by the ridge lines of the Blue Ridge Mountains on the west, and the Dunnigan and Rumsey Hills on the east. And it reaches down through the town of Capay to the edge of the Esparto area.

Swent: This is an official--

Ceteras: Yes. There's even been disputes about that. Esparto wants to expand, and they are expanding, and that borderline area that is in our plan is an area they would like to annex to their area. So we've had to step up there and say, "Well, look, if you take that little piece, then we have the next buffer area, and then you'll want to take that piece. And before you know it, you'll be up into Brooks." So we say the lines have been drawn; we want to keep them that way. You work over here in your area and do what you feel you have to do, but this area here is going to stay in our plan, and that's the way it--. They actually started to write their own rules and regs on a corner of our area, so it was necessary to kind of straighten that out. That just happened in recent years, because they still haven't completed their plan. But they're going to double in size in the next ten or fifteen years.

Swent: Esparto?

Ceteras: Esparto, yes. So we're right on the edge of all that up here.

Swent: Your plan has--

Ceteras: Our plan basically ended up with trying to maintain a twenty-acre minimum for a new homesite. That is, land that--there are a lot of exemptions to that, and that is, for instance, there already were a lot of small parcels in the valley. When the Southern Pacific Railroad put the railroad in up here, they owned most of the land, and they developed their own subdivisions. In fact, we live on a--this twenty-acre parcel is something that the railroad drew out back in the early 1900s. So there were a certain amount of small parcels that were exempted, and there are a lot of homesites on less than twenty acres, and there are a few places left where they can still--that aren't built on but can be built on that are less than twenty acres. But basically, it's the larger pieces that cannot be broken into anything smaller than twenty acres.

And then you have the Williamson Act also that plays a role, and that's also a control measure.

Swent: And do you want to just explain that briefly?

Ceteras: It was an act developed I think in the 1960s by John Williamson that basically gave agricultural lands a tax break if they would sign a ten-year contract agreeing to not use their land for anything other than agriculture, or to make any subdivisions of their land. You sign a ten-year contract, and to get out of it takes you ten years supposedly. That is, if we wanted to get out of the Williamson Act, we would sign up today, and ten years from today, we could be out, and our land, instead of being zoned Williamson Act, it would be zoned agricultural number one, or something. It would allow us some day, if we wanted to, if they changed the zoning, we could actually downgrade our zoning here to one-acre parcels if we wanted to. But the general plan and the Williamson Act together right now are holding the ground at twenty-acre minimum parcels, so actually, we would still be bound by that, unless the laws or the rules change, which they might some day.

Swent: So you were elected as chairman of this general plan committee. All of the committee members are elected by the local--?

Ceteras: No, it was actually a volunteer committee. And Twyla Thompson, whom you have also interviewed, was very active in getting the community involved. She is also from a farming family and had lived in Yolo County all of her life. The general plan idea, the conception of that, came from the state level.

Swent: It was a mandate.

Ceteras: Yes, it was a mandated--it was a law that said that each county would have to come up with a plan on how they're going to develop all their different areas. So there was a set of guidelines from the state handed to the counties, and then the counties had to pick up the ball from there, and they had so many years to develop a plan for their counties. And then within the counties, to make it manageable for them, they divided it into areas, whether it be a city, or in our case a farming area called the Capay Valley area.

Twyla wanted--there were two ways the county figured they could do this. They could just put the staff people on it, and they could do a little research and come up with a plan from the staff, that the staff developed. Or they could use citizen committees who would be more grassroots, and use them as the basis for the plan, the workings of the plan, something that they agreed on.

##

Swent: You were just beginning to talk about the committee. Twyla chose to have a citizens' committee.

Ceteras: Yes. So we had an initial meeting that drew about fifty or sixty people, town hall--

Swent: In Guinda? Is this the Guinda town hall?

Ceteras: I think we had it in Rumsey town hall. And out of that group, about forty-five people signed up to be on the committee.

Swent: My! That sounds like a very good percentage of participation.

Ceteras: Well, it is, interest-wise. However, the actual--what has happened over a course of months--well, they had the first official meeting, and Twyla basically chaired that, and elected the officers. That was the point where I was nominated, and another gentleman was also nominated. They had an election, and I won, so I was put in as chair. I had a vice chair, who was Jan Lowrey, a neighbor of mine from an old farming pioneer family in the valley. And of course, me being more the newcomer. We had a secretary, and then we had staff support from the county. We began holding a series of meetings. I think we met twice a month.

We ended up with a working group of about twenty people.

Swent: And can we get an approximate date for this?

Ceteras: I think it was begun in 1980, and we completed the general plan I believe in 1983 or '84, and it was finally approved. There was a lot of work to be done, a lot of--but we had a lot of help. The final approval meeting was contentious, I suppose, in some ways, because for instance, there was a working group of twenty people, but there's still a couple hundred other people who were just sort of on the sidelines, listening and reading the papers about what we were doing, and there were a lot of misconceptions and preconceptions of what we might or might not be doing. We actually did try to float a forty-acre minimum, and that didn't go over. That was the biggest stumbling--there's a lot to a general plan. There's a recreational element, and there's the housing element, social element and all these things, but I think what most people were concerned with was what they could do with their acreage, and the zoning laws. So our recommendations in those areas were the things that people were most interested in.

And through consensus again, at a final meeting where--we allowed everyone, not just the committee members, to vote on it. Whoever showed up at that meeting was given a vote, and in the end, it was a majority voted for the work we had done, with the exception of they wanted the forty acres reduced to twenty, which we agreed to.

So the plan was finally accepted, and we're still living under those guidelines today. We've had at least one--we've had two update meetings since then, major meetings, where it was basically, "John, we're happy with the way this is going. Why stir it all up and change it at this point?" And everybody agreed that we should just keep what we have. In other words, what do we want to do now? Is it time to change this? And people agreed no, that actually it was keeping a lid on things, that we were still growing as a community. We put in probably anywhere from five to ten new homes a year, but it's fairly moderate growth, considering what you see happening around. But the majority of the people that live up here live here because of the way it is, and don't really want to see it go to a big house farm, where we're just planting people. They like the small-town way of life. Our school system is small.

Swent: Where did your son--was your son born here?

Ceteras: He was born here, and he attended school in Esparto through all of his elementary and high school years. I just don't regret anything along those lines. I felt like that was--if I had it to do all over again, I would do it exactly the same way. I think it was good for him, I think it's good for the kids that we still have here. We have a minimum amount of teenage gang problems, although there is some of that even in the little town of Esparto, but it's very minimal. Our own sheriff's deputies live in the area, and their kids go to school, and so they kind of ride herd, too, on the problem kids and try to keep all that to a minimum. And it's much easier for them to do that when they don't have thousands and thousands of people to deal with.

Swent: Just as a little aside, I stopped at the historical marker down here on the way up, and the Capay School was the longest existing school in California on the same site, in 18--I forgot the exact date--1870, wasn't it?

Ceteras: I think it is, something like that.

Swent: Almost 100 years in the same location.

Ceteras: Something like that. It's been a while since I've stopped to read that myself, but--

Swent: So schooling is a long tradition here.

Ceteras: It was a whole series of one-room schools up here at one time. We still have our old schoolhouse; it's now actually a family house. There was one in Guinda; it has been torn down. You may have noticed the Canyon School coming up the road there in Brooks.

Swent: I did, yes.

Ceteras: It is still standing.

Swent: The Friends of Cache Creek organization you said is affiliated with the Friends of the River groups. Are you involved in that?

Ceteras: Not really, no.

Swent: That's another--

Ceteras: That's another. I'm pretty involved in the community. As far as my involvements go, though, I have to draw the line.

Swent: You can't do everything.

Ceteras: Yes. I've been a fireman on the volunteer fire department for about eighteen years now. So that's one of my lifelong commitments, I feel. I've been--as I say, the general plan committee was very important. We also have our own little irrigation district here in Rumsey. We're probably now the oldest irrigation district in the state, and we're run privately, and I am the president and superintendent on that, which is actually a very big responsibility in the immediate community of Rumsey.

President, Rumsey Water Users Association

Swent: And what is the name of that?

Ceteras: It's the Rumsey Water Users Association.

Swent: A private irrigation district?

Ceteras: Yes. We have riparian water rights dating back to about 1870, which we have had to cling very tenaciously to in order to maintain our water supply and our riparian rights to the water. And it also requires a great deal of maintenance year-to-year, which is my responsibility. I have to see that the ditch is cleaned and repaired every spring, and that the water is let in, and that everybody gets their water when they need it for their farm lands. So that's another responsibility that's sort of ongoing, and we don't have a lot of replacements like behind me in the way of young people.

Swent: Is this something also you had to be elected to?

Ceteras: Yes. In fact, I'm reelected every year, or not--I always throw it out to them. Since I'm the president, I'm also chairing the meeting, but I'm always looking myself over my shoulder to see if there's anyone that is going to be there to pick up the ball. Basically, that's how I came to be the--the gentleman I took over the superintendency from did it for thirty-five years, and his father before him did it probably for forty or fifty years.

Swent: What was their name?

Ceteras: Janes, Hayden Janes, from the Janes family.

Swent: I noticed the name down here on a sign somewhere.

Ceteras: Yes. I think you probably saw it in front of their home, in front of their farm. So I know he was relieved when I came along and showed an interest. Again, it is certainly in our interest--even though we border on Cache Creek, it's much easier for us to take our irrigation water from the canal than from the creek directly, although we can do it either way. The canal here in town is really the main artery of things, so I consider it very important and put in as much time as it takes to keep it alive and going.

Swent: Were you involved at all in the gravel issues?

Ceteras: Not really. Again, that is one that has been such a long, drawn-out process that it's just more than I wanted to take on. My wife has been more involved in it than I have, and some of my other neighbors. But I have basically not gotten real involved. I've attended a few hearings when there was something really controversial happening, and if I had something to say, I would show up. But otherwise, I've sort of stepped back from that.

Swent: What is your son's name?

Ceteras: Noah.

Swent: Okay. So I guess, are we ready to mention the word McLaughlin?

Ceteras: Oh, sure.

An Early Tour of the Mine Site at Homestake's Invitation

Swent: I'm just thinking, these things are happening concurrently. The McLaughlin discovery was in '78, but you probably weren't aware of it immediately. Do you recall?

Ceteras: I think that I was probably in on it earlier than most people, in that Twyla Thompson again, our supervisor at the time, of course, became aware of it fairly early. She and I and an engineer named Gustafson from Homestake--

Swent: That would have been Donald Gustafson?

Ceteras: I think it was Donald, yes, which I think was probably the main discoverer of the area, was through his and his team's work, that Homestake became interested in that area. And once I think that they had purchased the main part of the land from the old owner, Bill somebody, I can't remember--

Swent: Wilder.

Ceteras: Oh, Bill Wilder, yes; "Wild Bill" Wilder. We went up and actually had a tour before anything happened up there. Gustafson took us in his four-wheel drive, Twyla and I, and I think the director of public works or somebody went with us, about four of us. And basically looked over the area--

Swent: You mean the local director of public works here from Yolo--

Ceteras: Yes, from Yolo County, and Twyla, Gustafson, and myself.

Swent: This might have been about 1980?

Ceteras: Yes, probably about 1980. So we did get to tour around there and see what the area looked like before any mining began.

Swent: Well, there had been mercury mining.

Ceteras: We got to see the old mercury mines, the old equipment and abandoned containers, God knows what was in them, piled in the arroyos and the ravines, and all the good little waterways that were obviously polluted from misuse over the years. Yes, we got an eyeful.

Swent: It wasn't exactly virgin landscape, was it?

Ceteras: No, it wasn't. Some of it was, but a lot of it wasn't. The main pit area where they were looking, where they were finding their micro-amounts of gold, was pretty well chewed up already from the mercury miners.

Swent: How did you go from here to there?

Ceteras: Well, I think we may have gone over the Rayhouse Road.

Swent: That was passable then?

Ceteras: I think that it was. That's kind of hard for me to remember, but I think we may have gone up the Rayhouse Road. If not, then obviously we would have had to go up and around Clear Lake to Lower Lake and down. But I think then it was the time of year when we could get across Low Water Bridge and right up over the hill.

Swent: Does that Rieff Canyon Road go through?

Ceteras: Rieff Canyon Road? You know, I'm not sure now. Let's see. Rieff Canyon? We have a canyon here in Rumsey we call Rieff Canyon. I don't know--. You're not thinking of the old Reed Mine?

Swent: No, there is a Rieff Road that comes into the Morgan Valley Road, beyond the mine. And I notice on the map that there's also a Rieff Canyon here, and I don't know whether they connect or not.

Ceteras: I don't know either. That's a good question. I don't know if there's a connection between the Rieff Road and the Reed Mine. I kind of don't think so. That road would be on the other side of the divide, and the Rieff Canyon is on this side, the drainage.

Swent: Okay.

Ceteras: So I don't know. There may be a connection, somebody named Rieff that named some of these things.

Swent: Could be. That's probably it. So when you went up there with Gustafson, it was still just a prospect, I guess, probably, wasn't it?

Ceteras: Yes. He talked about the fact that if Homestake's plans came to fruition, they'd be cleaning out all the--getting rid of all the junk and all the old abandoned equipment that was up there, and--he basically tried to lay the groundwork, that Homestake would be complying with all the rules and regs that were now in place that weren't back in the 1800s and early 1900s when the other mines were active. I think that the main activity up there was through World War II or so, and then--[cat jumps on table]

Swent: Can you recall what your reaction was, what your feelings were at that time?

Ceteras: Well, I--yes, I think that I was suspicious that, while it was obviously already torn up up there and so forth, that the magnitude of what Homestake was proposing was you know, quite gigantic compared to anything else that had happened. So I had my doubts as to whether they could pull that off without causing environmental problems. You know, I basically have felt that way all along. So yes, I would not be one that would welcome them with open arms. I was rather suspicious.

Swent: Your concern was, I presume, primarily for the water?

Ceteras: Yes, water and air quality. And we had other concerns: what sort of transportation, whether they'd be using our highway in any big, large degree, and if so, what sort of materials would be transported. There were a lot of concerns. But I would say water was probably number one. We had--that drainage system on the east side of the mine would drain into Yolo County, and then once we actually saw the plans for the mine, then we could see exactly what Yolo County would be in for and how it was spread out over three counties.

Swent: How were you first made aware of that? You said that Gustafson took you up to the mine, but then there were subsequent meetings?

Ceteras: Yes. Then, probably months later, Homestake held an introduction meeting at the Guinda Grange Hall.

An Introductory Meeting at the Guinda Grange Hall

Swent: What did that involve?

Ceteras: That was an interesting meeting in that they set up--they had a lot of props. They had set up, for instance, the Yolo County portion was--the biggest deal was going to be the reservoir in Yolo County. And so they had this big display on a table, a model, and they had this beautiful lake, and there were like little boats on the lake and people fishing. You know, it was just a real pleasant--almost looked like a little golf course around there or something. And they had their video cameras set up. They had a regular professional videotape company doing this for them. And they had all their executives: the mine manager, a couple of the vice presidents--

Swent: Do you remember who they were?

Ceteras: Well, I remember Bill Humphrey was there. I remember--I can see --his name was Jack, that was going to be mine manager, Jack--

Swent: Thompson.

Ceteras: Thompson was there. I believe Ray Krauss, who was going to be their environmental manager. I think he was there too at that point. There were a lot of principals there from Homestake, and they were lined up. And they had their lawyers with them. So I recall that there was a lot of discomfort by all this hoopla, so to speak, that they were putting on there. And I think it was Will Baker that stood up quite early on and objected to the fact that they were videotaping everything, that they were trying to intimidate us and force us--

Swent: They were actually videotaping you as you watched this model; is that it?

Ceteras: They videotaped the whole proceedings, the meeting. They did a presentation. Everybody was involved; the county was there, and introduced everybody, and Homestake introduced themselves. They had their model set up, and they were videotaping all of this. And then they wanted public--you know, they welcomed public comment, you would say. As I say, it really made people uncomfortable. They were going to do this series of meetings. They did it here, and they were going to do it in Clearlake, and over in Napa.

So there were some objections to that, and I think that they didn't bring their video cameras back to the Capay Valley anyway, but I think they continued to tape in other places.

Swent: What do you suppose was the reason behind the taping?

Ceteras: Well, I think--again, being somewhat of a skeptic, it was probably several reasons. One would be that, well, they wanted to document the whole process for their own archives, and it would be a good teaching element for them as they opened other mines in this modern day, and how they did it this time, and how they might change it the next time. I think that they covered all their bases really well. I think they had their public relations people all in line, their legal end all in line, their technical thing all lined up. And I think it was their effort to make sure that this thing went, you know. I mean, that's their bottom line, is they wanted the gold mine, and this was just part of it.

And I also believe that they knew they were going to have some objections raised over here, and that if they appeared powerful and intelligent, that they might be able to intimidate people to not make too big of a deal about it. That's my own feeling on it, and the feeling of others, too. Some people were just awed by it. Wow, I mean this was going to be pretty neat, you know. We'll have this lake up there; we'll be able to go up and go boating and fishing. How can--.

And it is sort of a divide-and-conquer approach, and the really interesting thing about the divide-and-conquer approach was the fact that they had three counties to operate in. And so what they did early on was to make sure that the Yolo County people could only comment about what's going on in Yolo County, and the Lake County people can only comment about what's going on in their county, and Napa in theirs. They had Ray Krauss, who was perfectly groomed, because he was a planner, a city planner, previous, and he knew exactly what the procedures were as far as planning commissions and boards of supervisors and all that. So they picked the right man, I think, for that. He always had the answer.

So they--while sometimes they appeared clumsy, they certainly were still quite professional, I think, in knowing what they wanted and how to get it.

Swent: What appeared clumsy?

Ceteras: Well, like I said, I think that some of the stuff they tried to do here, anyway, backfired. I mean, all this videotaping, bringing out all the suits and the hotshots, you know, although it did impress some people. For others, it was merely ammunition to fight them with. Eventually, those people faded, I think, because they could see that they were hurting themselves sometimes by trotting out just too many people.

Swent: The high-powered--

Ceteras: High-powered people, and in public hearings and so forth. There were us in our jeans and overalls, and there were them in their Armani suits and Gucci loafers and their piles of documents, so--it was an interesting interplay, though.

Professor Will Baker

Swent: You mentioned Will Baker. Had he been in the picture before then with your planning?

Ceteras: Yes, he was on the committee.

Swent: He was on your planning committee?

Ceteras: On our general plan committee.

Swent: We should say he's a professor of English at Davis, the University of California.

Ceteras: Yes, and a farmer here, an organic farmer also in the valley.

Swent: He resides here in--

Ceteras: In Rumsey, in the valley, yes.

Swent: So he had a--

Ceteras: He's very well spoken; he's a literature professor. He definitely provided us with some of the more flowery speeches. So it was an interesting--. You know, and Bob Speirs, another local person who was a toxicologist for most of his life, and his wife Mitzi also worked with him in that field--I'm not going to try to fill in his background because I don't think I really have it straight, but a very intelligent man and very scientifically minded. He also was involved on our end of things too, looking at--he could look at the scientific--end of things and interpret a lot of the documentation HMC [Homestake] presented.

##

Ceteras: You haven't interviewed him, obviously, then?

Dr. Robert Speirs, Immunologist

Swent: No. I think we may have missed just a little bit at the end of that last tape. You were just talking about Bob Speirs, who was a toxicologist and--

Ceteras: Yes, immunologist.

Swent: Does he practice medicine here, or is he retired?

Ceteras: No, he's retired. And again, I don't recall exactly what his history was, but he is actually a person of some renown in his field, and certainly we were very fortunate to have him here to digest a lot of the technical stuff that didn't really mean much to us.

Swent: He wouldn't be awed by that sort of thing.

Ceteras: No. And in fact, he pointed out many inconsistencies and errors in Homestake's documents. We spent a lot of hours and time, days and days, poring over this stuff, and Bob really carried the load, I think, in understanding that. And we all helped to bolster him in his interpretations.

The Issue of Mercury Contamination in Davis Creek

Swent: Specifically what were the issues?

Ceteras: Well, the things that he pointed out very quickly were the fact that we had a lot of mercury tailings involved in this area. There was going to be more mercury becoming involved environmentally through the mining. Vapors, the mercury. His fear was, and it has come to be absolutely true, was that the elemental mercury would become methylated once it was attacked by the bacteria or whatever it is in the water in Davis Creek reservoir. It would become methylated and consequently taken up by the very smallest living organisms and reach eventually to the higher organisms. Which is definitely true. The reservoir has become a real center for research. Obviously, the community concerns were that now would we be impacted, though? How would it hurt us, if at all? And Homestake contended that it wouldn't, and we suspected that it would.

So we tried to, if nothing else, make sure that they did as comprehensive a job as humanly possible to eliminate the risks.

Swent: What is your source of drinking water here?

Ceteras: Our drinking water source is from a well, and the wells in our area run anywhere from like thirty feet to 300 feet.

Swent: They're individual wells?

Ceteras: Individual wells. And we have a lot of different aquifers, too, so we have a lot of different qualities of wells. For the most part, our hydrologic links do not extend over to the area of the mine. There's enough bedrock and barriers between us that our waters are pretty much on the east side of the western mountains, the valley floor, and the east side hills, our water sources come out of those areas.

Swent: This reservoir that Homestake was building was on Davis Creek, not Cache Creek.

Ceteras: Right. Now, Davis Creek, however, is the creek that they impounded, and it is a direct tributary to Cache Creek. So that was our concern as far as any immediate carry-over of mercury or other elements that--you know, there's a lot of other heavy metals that occur in the ore and in the ground up there, but it was the mercury that has already been exposed by past mining practices. We have that to deal with, plus whatever Homestake might contribute to that.

Swent: They were not draining--they were impounding that water to use in their processing, I think, were they not? And then the drainage from the processing was going the other way. I mean, their processing plant is way up the other way.

Ceteras: Yes, the processing plant is in Lake County.

Swent: So this was drainage from the mining?

Ceteras: Well, the Davis Creek watershed certainly includes the area all around the mine pit. The area all around the mine pit is historically already mined; a lot of exposed tailings left behind--

Swent: From the mercury mining.

Ceteras: See, we already are getting--that mercury that's been laying on the hillsides has been washed into Davis Creek and into Cache Creek for many, many years, it's been coming down here in whatever amounts, depending on the year. Depending on the severity of the rain and that sort of thing, as far as how much. But our concern was further disturbance of those areas would just magnify the amount of mercury, perhaps, plus the airborne possibility of mercury, because they use the autoclave methods in their processing. There is the potential for mercury vapor to escape that area and settle again on the landscape, and consequently be washed into the waterways.

Now, I believe Homestake contended, and over the years have always contended, that the reservoir would become actually a trap for the mercury, where they would be holding those sediments and waters for the most part in one spot rather than letting them flow into Cache Creek, and therefore would be a benefit to Cache Creek by eliminating some of that. And indeed, I believe in the end, it has done that. But not without some consequences, and that is, I mean, that the reservoir definitely is a mercury-laden area now. It was through the efforts of Bob Speirs that fish were introduced--

Swent: I was just thinking about--

Ceteras: --to use as markers to what is happening with the mercury. And indeed, the fish flesh and the muscle and the organs have all accumulated methyl mercury to above safe food standards, and so the--

Swent: So you wouldn't want to go up there and fish.

Ceteras: You don't want to go up there and fish, and eat the fish. Now, in all fairness, again, Clear Lake is much--certain areas around Clear Lake especially is in the same boat. They have the Sulphur Bank Mine that's been washing--the tailings have been washing in there for years and years. They have the same warnings up there on fish flesh, and in fact, pregnant women are not supposed to eat any of it. I think a normal person is allowed one serving a week, if I remember right, from the Clear Lake.

The Fight to Get Fish Introduced into the Davis Creek Reservoir

Ceteras: So the fish were something we had to actually fight for, to get fish introduced, so that there would be a way for biologists and so forth to use as a good method to determine whether or not the mercury was going to become methylated and be picked up by living organisms. And also, it was through the public outcry and also the public conception of the plan of a technical review panel was brought up.

Swent: Yes, maybe we should--we'll get to that in a moment, but let's--before we get to that, have you mentioned Frances Looney. I don't believe you've mentioned--

Ceteras: Yes, Frances Burke, now--she is the Friends of Cache Creek. She was one of the first people to get involved in that.

Swent: So she was also at these meetings.

Ceteras: She was at these meetings, yes.

Swent: Was CalPIRG [California Public Interest Research Group] involved?

Ceteras: CalPIRG did come out at the early meetings, and in fact I think that Darryl Slotten, who is now one of the, maybe the main researcher for Ecological Research Associates, I believe he may have been associated with CalPIRG during his days at Davis. He has--

Swent: It was a campus organization primarily, wasn't it?

Ceteras: Yes, I think so. I'm only a little bit familiar with what they do, but yes, they became interested, and eventually, as I say, Darryl became involved with Charles Goldman and John Reuter and become a part of the Ecological Research Association group.

Swent: I guess what I was kind of groping for--I read the newspaper accounts, as I told you, and I noticed--and these CalPIRG, it was a student group from Davis--and I was wondering whether, were they using this as sort of a teaching tool, as a--were they observing the proceedings as a study of what was going on, or were they activists?

Ceteras: I think they were more observing. I think what they saw happening was that there was going to be an opportunity for some of their people to become involved in some way with this Homestake project. And rather than become raving nay-sayers or anything like that, I think they left that up to us. They offered, as I recall, that they had students or people that could help us interpret again the scientific data that Homestake would be generating during that permitting period. So I think they stepped forward with sort of technical help. Since we already had a Ph.D. here that could understand these things at least as well as probably most of these students--I think we relied on Bob Speirs, because he had the expertise and he had the self-interest of being a community person here. So he looked at it with a very critical eye. I think it was obvious that the students some day might actually become employed in some way at the mine, and so they had to walk a much finer line. They did not want to step on Homestake's toes or some other person at the university.

Because Homestake talked early on about donating the site as a research facility to the scientific world, and to UCD in particular, so they had a real self-interest there right away. So I felt, and I still feel, that we were much better off having someone like Bob Speirs who could care less about any economic benefit that might be coming his way from this, and actually had no economic interest in it.

Swent: You mentioned the first meeting that they had at the Guinda hall, and then there were subsequent meetings, and--

Ceteras: In the interim period, too, there at some point, the general plan committee put a moratorium on any new developments in our study area, and Homestake was included in that. So that didn't go down very well either. There were three or four issues that we felt were going to be insolvable for us until we laid the groundwork with the general plan. So that also happened early on, and of course, didn't make Homestake very happy, having to deal with that too, but that's the way we did it. And eventually, obviously, the moratorium was lifted, but it was--for the first very preliminary years there, '82 and '83, probably into '84, there was a moratorium.

Delaying the Permitting; Three Counties Divided and Conquered

Swent: You actually held up their permitting--

Ceteras: To a certain degree, yes.

Swent: --for quite a while. Let's see, the Napa and Lake Counties approved them in December of '83, and you--let's see. You rejected their environmental impact report in May of '83, and then they accepted, and you--it was December '84 when your planning commission approved the dam, according to this timeline here.

Ceteras: Okay, yes.

Swent: You rejected the EIR in May of '83. That's the Yolo Planning Commission, is that--

Ceteras: Yes, that's right.

Swent: And then you approved their permits not until April of '84, and approved the dam, Davis Creek Dam, concept in December of '84. So you held things up a while.

Ceteras: Yes. Well, we wanted to make sure that we left no stone unturned, so to speak, from a public interest standpoint. So yes, that's probably right. It didn't--other counties weren't nearly as well organized as we were when it came to looking this project over. It was--

Swent: They didn't have the citizen action.

Ceteras: No, not hardly at all. We got a few calls during those years from people over there actually saying, "How do you people do that over there? What did you do? How--our supervisor doesn't give a damn. He thinks this is the greatest thing there is." So yes, it was a little different over here than over there. But they were able to orchestrate things, though, that--as I say, they kept us from commenting on anything except the Yolo County portion. That was one of the things.

You see, we saw this as one big project, and Homestake divided it into three projects. They got the Yolo County, the reservoir--. And they doled these parts out to the counties, you know, in a way that it was like, "We're really going to benefit your county, and we can benefit it more if you let us or less if you don't." They even had the final--what they did was select Napa County as the principal--

Swent: Lead agency.

Ceteras: Lead agency, there's the word, you have it. As the lead agency, so that it was actually their final approval that clinched the deal for them. And of course, we, you know, packed the chambers over in Napa with Capay Valley people when they were dealing with this, and we had a lot of--I mean, we had documentation, we had letters, we had a lot of work involved to protest what they were going to do. Plus we had the rejection of our own planning commission. But ultimately, their planning commission approved it, and that was all that was really necessary, even over our planning commission's objections. We did slow it down, there's no question about that, but by using the lead agency approach, they gave the power, the final power, to Napa. That's sort of where that got left. And it took some of the pressure off of I guess our own county officials by doing that, too. At least that's the way I recall it.

Swent: Now, at one point, Homestake set up an office in Woodland.

Ceteras: Yes, that's right, they did, too.

Swent: What was the effect of that?

Ceteras: [chuckles] Well, it was there obviously because there were a lot of hearings and things going on in Yolo County that they had to attend, but I think it was primarily a public relations move, to somehow get involved in the county a little bit, and show that their hearts were in the right places, so to speak. I don't recall ever--I may have gone in there once; I'm trying to remember. I don't really remember too much about that office. It was there, though; that I certainly do remember. But I don't know--ultimately, I guess it just gave them quick access to county officials if they needed it, and that sort of thing.

Swent: I wonder how effective it was.

Ceteras: Perhaps somebody like Twyla would have more of a feel for that, I don't know.

Swent: You didn't feel like dropping in on their office, obviously.

Ceteras: No.

Swent: [laughs] Well, maybe we could move on a bit. Oh, Gary Stone. I wanted to ask, there was a--when was the all-night meeting, the famous all-night meeting? Was that--? And then there was one meeting, I don't know if it was the same one, this meeting in December when the planning commission approved the dam and the concept of the panel--well, we're jumping ahead a bit--but Gary Stone abstained at the final vote, according to the paper. Do you recall that?

Ceteras: I vaguely recall the meeting.

Swent: I wondered if that was significant, that he abstained.

Ceteras: It probably was. I just can't remember too many details of that meeting. I think Jan Lowrey was perhaps the chairman then, I'm not positive about that, because he had to resign from the general plan committee, because he got appointed to the planning commission. He was my vice chair on the planning--on the--

Swent: Yes. I'm getting a little--there was the planning commission, and the general plan committee is what you were chairman of.

Ceteras: That's right.

Swent: And then the planning commission is something distinct from that.

Ceteras: That's something definitely different, yes.

Swent: And you were not on that.

Ceteras: No, I've never been a planning commissioner, no.

Swent: They also are elected?

Ceteras: No, they are appointed.

Swent: By the county supervisors?

Ceteras: Yes. Each supervisor has--

Swent: And Jan Lowrey was--

Ceteras: --appointed by Twyla Thompson, yes. And Gary Stone was a commissioner at that time, and Bryant Washburn and several others. We knew them all at the time, of course.

Swent: How did you feel about their role in this?

Ceteras: I think that they did a pretty good job of listening to us. It was hard for them, I can understand. We had a lot of people that were very passionate about this project, and there were times when we were cut short and I felt maybe dealt with unfairly. And then there were other times when they were very liberal and let us go on. Some of us would get off on tangents, to where even we didn't know what the heck they were talking about any more. And in those cases, the planning commissioners would be certainly within their rights to, you know, cut them off. Trouble is that you wear people down that way too, so we tried to present ourselves in a way that we didn't just burn the planning commissioners out. They can only take so much of this. But it's a free country, and some of us I know are not going to be silenced, even within our own little enclave. I mean, they're going to say what they're going to say, period. Just can't shut them up.

Swent: Were there people that were as passionately for it as some of you were passionately against it?

Ceteras: Well, a minority, a definite minority. There were a few. Shelford Wyatt was one of their spokesmen. He's a valley person, old-time valley person that they had on their side. He would--

Swent: They meaning--?

Ceteras: Homestake. So occasionally, he would show up and speak highly of the project.

Swent: It sounds as if most of the passion was on your side, really.

Ceteras: Yes.

Swent: The commitment.

Ceteras: Yes. Oh, without question. There's no question about that. There were only a very few speakers, and they were people like truck drivers that were going to work up there driving trucks. They were equipment operators that were going to drive the loaders and get bulldozers involved, you know. Suppliers. Homestake got their suppliers--their Yolo County suppliers would come out and speak at the hearings. And of course, they're not nearly as passionate as the local people. But there were a few; like I say, Shelford was one of them. Most people that felt that there could be some damage to our water source just were not--they might not step up and protest, but they were certainly not going to stand up and defend them either. Like so many people anywhere, there are those that will just sit back and sort of watch what's going on and not really want to be involved, you know, and then there's those that jump in with both feet. For the most part, we had without question a lot of community support.

The Effort to Get the Williamson Act Amendment on the Ballot

Ceteras: Probably our last gasp on the reservoir was that it was in the Williamson Act, that piece of ground, and we objected very strongly, and in fact, we were almost able to come up with enough signatures to put it on for a ballot vote. We missed it by, I don't remember how much, maybe 500 or a few hundred. We needed--I can't remember--10,000 or 12,000; we came up with 11,000 or something. But we wanted an initiative on the ballot to whether or not we were going to allow that sort of withdrawal from the Williamson Act, or what we considered to be a withdrawal anyway, changing it from grazing land to what we call an industrial reservoir, really. And we had a lot of support. I would have liked to have seen it go on the ballot, just to see what the whole county, how they would have responded in a vote. But we didn't quite make it.

Swent: Now, I think, as I recall, the CalPIRG students helped quite a little with that initiative effort.

Ceteras: I think that they did, because we set up--we had tables all the time over at Davis, around the university area, gathering signatures. And we set up in Woodland and tried to circulate the whole county as much as we could to get--

Swent: Huge county.

Ceteras: Yes. And there were some people that wouldn't sign, for sure. But we just didn't quite make it. We got messed around with there, too. I can't remember the exact details, but at the time, the board of supervisors did something there that shortened--instead of having thirty days to get our signatures, we only had two weeks.

##

Ceteras: That's why I think that we failed. If we would have had the full thirty days--. And what happened was, there was some sort of a mix-up between the clerk of the board, our supervisor, and us, and misinformation. The clerk retired right at that point, and so we couldn't call him on the public carpet any more. I think Twyla just--she claimed she didn't know, and we were just sort of left out there with half the time instead of the whole time to get our signatures, so we were going like bats out of hell in every direction trying to get in two weeks what we should have had thirty days to do. And boy, they held us to it, right to the minute.

Everyone expected that we were going to make it. They did do one--they gave us one concession: they kept the county offices open a half-hour longer on the final day for us to be able to get our stuff into there so they could count them. Because even we didn't know how many we had, see, because we were too busy gathering them to keep track of how many we had. We just came up just, you know, maybe a few hundred short or something, as I recall. But anyway.

Swent: That must have been a real heartbreaker.

Ceteras: It was. It was a big heartbreaker for us, and a disappointment, because we tried so hard. And it just seemed like the fair thing to do, to us, was put it on the ballot. And if the people say okay, that's it, that's great. But otherwise, we felt like we were being trampled. But it didn't work; we just didn't quite make it. So yes.

There was so much going on back then, and so many hearings. We had to go to Fish and Game [Division], we had to go to the regional water quality board, the state water quality board. We had documents always flying back and forth during this whole permitting process; it was very complicated and convoluted. I thought we did a heck of a job, considering what we were up against.

Swent: Well, as a community action exercise, certainly it was superb, wasn't it?

Ceteras: No question. Yes, it really was.

Member of the Technical Review Panel

Swent: So where did the technical review panel idea come in?

Ceteras: Well, it came in very close to the end, I think. We realized that we were going to have this project, and we were going to have the reservoir. So the idea came out of Bob Speirs, and I think Avery Tindell and myself agreed that--and Will, I think, also--agreed that we somehow have to have an oversight committee on this deal. Homestake wrote a letter immediately, and I still have it somewhere too, where they just rejected this out of hand, that "We don't need another panel to answer to. Yolo County has already held us up now for a long time, and, you know, believe us, we're going to do a good job, and we're not going to--. We don't need this," et cetera. Well, we fought for it, and again, through a lot of going to the meetings and lobbying everybody, we won, got the conception accepted, that we would--and we got agreement from--I can't remember how we got the UCD people on our side there. I think they were always sort of on our side, because they wanted to get involved in it. I mean, you know, it's geology, it's science of all sorts going on up there.

And so we got the concept approved with a public member also, that we would have a public member. But we had the air quality, we had the animal life, we had the invertebrates and all the different disciplines, the hydrogeology, fish life, aquatic biology, all these bases covered by someone from the university primarily--reclamation. And then the public members, which ended up to be two, myself and Avery Tindell, were appointed by the board.

Swent: The board of--?

Ceteras: The board of supervisors appointed us.

Swent: Who selected the other, the technical people?

Ceteras: The technical people were advertised for at the university, in the newspapers, and the people that were interested, that responded, were given application forms, a standard county form, to serve on a standard advisory committee. They filled those out, sent them in. Luckily, we had enough interest to cover all the bases.

Swent: Now, you didn't at first, according to the paper. According to my notes from the newspaper, in January of '85, it was announced that there were applications--applications were sought for the review panel. And then in May, there was an item that there weren't enough applicants.

Ceteras: Oh, okay. Well--

Swent: And then in September--this is 1985--an article in the paper that said there were twenty-seven volunteers for that. I don't know if it was twenty-seven that were finally selected?

Ceteras: No, no. There were something like eight or nine.

Swent: But to begin with, you had to have--the concept of a technical review panel at all, had to be accepted by both Homestake and the--

Ceteras: Not by Homestake, but by--

Swent: But you said they objected to it.

Ceteras: Right, they objected. It was primarily the supervisors, I think, had to decide whether to let us have that or not.

Swent: And this was a panel that continued the review of the monitoring and oversight after the thing was done?

Ceteras: That's right. To look over--

Swent: So this was a condition of the permit, that this technical review panel--was that written into the final--?

Ceteras: I think so.

Swent: I think so, too. I think that was the condition that they put on the final granting of the--

Ceteras: One of them, yes. That we would be able to monitor the results of their monitoring, on an annual basis, and report to the planning commission.

Swent: I see. For seventy-five years or something, isn't it?

Ceteras: No. Initially, it was for twenty-five years, which was the expected life span of the mine. Now, actually, we're looking at decommissioning this mine--the pit will be decommissioned this coming summer of '96. They will have a couple, two or three years more of processing low-grade ores that have been stockpiled at the mine site, both from McLaughlin Mine, and I think they have hauled ore over here from the Sierra that has still enough gold left in it that they feel it's economically feasible to process. So they're still going to be running their processing, but the life of the pit they feel is pretty well expended at this point, so they're going to decommission. And that's quite a bit short of the twenty-five-year life expectancy.

Swent: So I guess I'm still unsure where this idea came from.

Ceteras: The idea for the public review came from us, and it came from mainly Bob Speirs and Avery Tindell and myself. We had the support of all of our other people that were involved then, Frances and so forth, Will, and a lot of others, that we should be able to do that. We should have that type of a panel, and it should be under the auspices of the county and with their blessing, and also that we should have a public member, at least one public member, on it. That came from us. It was certainly not Homestake's idea, and it wasn't the county idea either. So that was like our big victory, if you want, is that we did get that much, and we're the only county in the three-county area that has anything like that.

Initially, we wanted to look over all the documentation and comment on it, including that generated in Napa and Lake, but Homestake was able to confine us to the Yolo County portion, so that we don't comment on anything that might be going on in Napa or Lake. It's none of our business, basically, is their approach to that. So that's where it came from. It came somewhat out of frustration, but just out of, I think, thinking about this an awful lot and wanting to have some tool left to make sure that things are going the way they promised. I mean, they promised the moon and the stars, and you know we wanted to not just take their word for that. And there's no one in the county level who has any expertise in these areas, so luckily we have Davis, and we have people that are interested that live here in the county also. We've been very fortunate to have them, I feel.

And it's no question in my mind that it has kept everybody honest, including the researchers, because it's their work that we criticize. So Goldman's team looks for our support when they come out with their reports at the end of the year.

Swent: We should identify Goldman.

Ceteras: Charles Goldman is an environmental--well, I gueas I really don't know his bio right off hand, but he's involved in environmental sciences very heavily. He's at the top of his world in that, out of UCD. He has been the primary researcher at Lake Tahoe in the Tahoe Basin to find the reasons for the pollution and the degradation of Lake Tahoe through all the development that man has put in around there. He has studied that for many years now, and continues to do that.

Well, it was with his--he had an organization already in place, I guess you would say, and he came up with a team of John Reuter, who is also a researcher, and Darryl Slotten, who was at the time a graduate student and actually ended up getting his Ph.D. for his mercury work at Davis Creek reservoir. And he is still the main point person, is Darryl, when it comes to the hardcore work up there on the reservoir. He spends a great deal of his time up there, catching fish, dissecting fish, freezing fish, testing back in the laboratories, developing the mercury testing program at the UCD lab.

But anyway, that was with Charles Goldman as the principal there, the actual president, I guess, or director of that group.

Swent: What about the air? Are you reviewing that as well?

Ceteras: We have Dr. Dan Chang, who is also from UCD and is quite renowned for his expertise in air quality. He was with us originally as part of the review panel, and left on a sabbatical at one point, I think probably around 1988 or so, or '89. But he left us with the feeling that everything was going fine up there, that we really weren't being impacted by any air quality degradation down here in the valley, and that we still had the Yolo-Solano Air Quality Management Board watching them, and they have--I guess there's a state air board too that perhaps--

Swent: I think there's a Bay Area Region--

Ceteras: A Bay Area Region, they're looking at it also. And they had enough monitors in place, and their protocols were okay, so we really shouldn't worry. He told us then that if we wanted his help, that once he got done with his sabbatical, which was going to last a couple of years or something, that he would help us again. It just so happens that I've just been in communication with him, and he is going to go over all of the data, starting from day one again to present, to just set our minds at ease that there haven't been any big blips in particularly mercury. Because we've found that portions of the reservoir are higher in mercury than others, so we're looking at why is it heavier in the south arm region than it is at some other part of the reservoir. Well, we feel it's coming in some drainage, and is it coming in because it's exposed mercury ore? Is it coming in because the air stream is depositing it on the landscape and being washed in? Well, we want to make sure it's not because of the air. So he's going to be looking at it and be providing us with a report here in the very near future.

Swent: Do you have any funding for this?

Ceteras: No. All of our members are strictly volunteer, and they are professors at the university or people involved in their professional life with some of these disciplines that have to be studied. So we give of our time; the county does provide staff assistance and a place to meet, and we generate our reports, we compile them into a cogent format, and then the county prints that out, sets a hearing date, and we show up; in this case--at the moment, I am the chairman, so I would be at the hearing, along with probably at least one or two of the researchers. Homestake would be there, and we'll present our findings and recommendations to the planning commission.

Swent: I was thinking somebody like this Professor Chang, if he does a study like this, this takes a lot of work and time.

Ceteras: Yes, it does.

Swent: But he volunteers?

Ceteras: He volunteers, yes. There's no one paid at this end of it at all.

Swent: Impressive.

Ceteras: Yes, yes.

Swent: The whole thing is a pretty inspiring story of citizen involvement, isn't it?

Ceteras: Yes, it is. As I say, I think it has helped put a lot of people's minds at ease, to know that there is somebody watching over their shoulders.

A Change of Analytical Labs Causes Problems

Swent: And the compliance has been--

Ceteras: It's been very good, as far as we can tell. There have been some--we did have some problems. Dr. Richard Burau, who was a chairman at the time, had quite a bit of objection when Homestake changed their analytical labs without notifying anybody. They pulled up stakes out of one lab, stopped using them, and started sending it to another lab, all for their testing, and did so in a way that it was hard to judge the quality control and quality assurance. As our panel members would say, QA/QC was sort of not happening, quality control and quality assurance of the results. So through some fairly contentious meetings, again between our panel and Homestake and the new lab and the researchers, we were able to finally have assurance that they were doing a proper job at the new lab.

See, when it comes to--these researchers draw some pretty fine lines. If you have one company providing you with information, and then it's suddenly changed to another, and that information is all highly developed protocols, you have to be assured that everything is being followed, so that the results are comparable. Otherwise, you can be all over the map with your results, and you can't compare it to anything if there's no quality involved.

So we had quite a little deal there, and I think we were very helpful in making sure that the new lab was providing the proper kind of information that could make sense and could be trusted. Homestake, of course, thought that there was absolutely--it's their prerogative, and we basically could go to hell. It was just, "You can't tell us what lab is going to do. We're paying for all of this, and we're going to put it where we want the business."

We said, "Well, sorry, but if you want us to believe what these results are, then we're going to have to be shown that they're legitimate, and that this is--."

"Well, the EPA, they are approved by the EPA, or they've passed all their state boards," and all that stuff.

I said, "Well, that's still not enough."

And really, it took a while for the researchers from Davis that are doing the work and this new lab to come into agreement. It took them a couple of years before Darryl, who is the main researcher, was satisfied that they're performing their--. And he went over there to their lab, compared notes with them, told them what he was doing at the UCD lab, and finally got them in line with their protocols so that they were comparable. Because there was always these comparisons going on. They'd be doing some work at the lab over in Santa Rosa, and then UCD would be doing their work, and then you'd get results, and you'd try to compare them, and there would be these discrepancies that were beyond the limits allowed. There's always some limits to discrepancy are allowed; nobody's results are probably ever exactly the same. But they were going beyond those limits.

Swent: Now, they're testing what?

Ceteras: They're looking mainly at the mercury, methyl mercury in fish flesh, in water, in sediment.

Swent: Soil samples as well.

Ceteras: Yes. And the way that you digest these materials to get your mercury readings is real important. The temperatures, the amounts, all the--the centrifugal this and thats, all these things, if they're not done the same, then you're comparing apples and oranges again. So you've got to be doing basically the same thing. And there's a lot of ways to test it. They have standard, what do they call them, SMAs or something, standard material--SMSs, standard material samples? I don't know. But I think it's the EPA or someone at the federal government level has--standard reference material, SRMs. They provide, like there's this water in the Buffalo River or something that has a certain amount of mercury that they know it is this, and always is that, and they send that to labs occasionally mixed in with--as an anonymous sample. And then they check, what did they get out of that? Is it comparable or isn't it? Is it way off? If it's way off, then that lab's doing something wrong. They need to be--something needs to happen, have to be followed up on. So there are a lot of ways to check the quality.

And again, because we had Dr. Burau and the other researchers on our side of this looking at it from our viewpoint, they were able to make them toe the mark on it. Whereas Homestake just tried to blow it right by us, like so what? So we changed labs? Well, Burau was just adamant that you know it's not that simple. Now, we've spent so many years here already trying to get in line with the researchers, the lab, and you guys, and us, and now boom, wake up one morning, you've canned that lab and now you're sending everything over here whom we have never dealt with these people, we don't know.

"Well, they're a highly respected organization. How can you question them?" was Homestake's response.

I said, "Well, when you're in the scientific world, that's your job, is to question everything." So--.

Swent: Whom do you talk to at Homestake; when you say "Homestake," who--

Ceteras: Ray Krauss mainly. Now, we've also been working with Jim Jackson, and sometimes Dolora Koontz. But Ray has been the main spokesperson throughout the years for Homestake dealing with us. And Ray does not give an inch. It's like pulling teeth. So anyway, that's--. At this stage of the game now, it's quite a little different. I mean, Homestake actually pats us on the back now. I think the fact that they were able to pull this off and do a good job, and they have the agreement of everyone involved, including us, for the most part, that it's just another feather in their cap, which is something I tried to tell Ray ten years ago when he was always fighting with us so much, and arguing, wanting to argue about every detail. I knew basically where he was coming from, but I don't think he really saw the big picture as well as he thought he did. And actually, as I say now, I think it's been a boon to them to have us. I think. I don't know. You'd have to read what he said ten years ago, about us being not necessary, and then question him today to see if he felt we played a role. I think that, just as a company person, and it's probably just as a policy in probably any big company, is that the company is the one that did right, and if we hadn't existed, everything would still be the same, basically. We wouldn't really have made an impact. That's sort of their approach.

The other thing I think that's important is the Reed Mine adit.

The Reed Mine Cleanup

Swent: Yes, we haven't mentioned that.

Ceteras: It's something that we complained about early on. We knew the location of the Reed Mine, an old historic mercury mine; a lot of mercury came out of there in the early part of the century. The reservoir, the banks and the reservoir itself are right below the mine site, and the tailings from that mine are all exposed, were all exposed on the hillsides. The adit was always leaking a very orange-colored water that actually was mostly iron and not really that big of a danger potentially, but it was also mercury involved in that water.

Swent: Ugly.

Ceteras: Ugly for sure. We always complained that this was going to be a contributing problem to that reservoir, and maybe be released down to Cache Creek, and Homestake always said, "Well, that's not our problem, because that's not our property over there. That belongs to--" whoever it was then; I can't remember the name of the mining company that owned it.

Swent: Bradley, I think.

Ceteras: Bradley, yes, I think it was. And so we kept harping on it over the years. "What about the Reed Mine there? Can't something be done to clean that up?" And actually, Homestake managed to gain control of that property. I guess they purchased it or traded it or did something with the owners, and once they got it, they did make an effort to plug the adit by pumping in concrete under pressure, and they I believe removed as much of the tailings from the hillsides as they could, using their mining equipment, hauled it out of there and probably put it into some of their waste rock piles. And of course, took full credit, very grandiose credit for what a good job they had--

##

Swent: You were saying that they never even mentioned that the people in Yolo County had been harping about it for years.

Ceteras: Right. It was almost--it was just like everything was, all of a sudden, Boom, we're going to do this. We have the contractors coming, and in fact, once we found out about it, Ray said, "Well, you know, you're welcome to come up, John, and watch them pump the concrete if you want to."

I think it was in the middle of summer. I said, "Well, if I have the time, I'll try to do that, actually," but I wasn't able to make it. I felt, as a public relations, it would have been nice if Homestake would have acknowledged us at that point.

Swent: Given you some credit.

Ceteras: Given us a little credit. You know, it didn't have--certainly I don't expect them to give themselves a spanking or anything, but to merely say something like, "We were finally able to gain control of this property, and knowing the concerns of the people in Yolo County over the years, we're happy to say that we're going to make an effort to try to clean that up as best we can, even though it's not part of our permits or it's not something we have to do; it's just as a public service." But there was just no mention of it.

So I mentioned it in my reports, the TRP report, and gave ourselves a hand, I guess. There was something else, too, that--There are a few more things that--however, could we just take another small break?

Swent: Sure. [tape interruption]

Ceteras: I noticed something in your letter, and I was going to ask you about that, that the Sierra Club--or that the McLaughlin Mine had been an environmental success story, and it has received a commendation from the Sierra Club for mitigation of environmental damage. And then of course, you go on to say that it will become the property of the University of California for a research facility and nature reserve. The nature of the commendation from the Sierra Club, what is that? Do you know anything about that?

Sierra Club Involvement

Swent: I don't really know, John. Except that they did get it; I've got a copy of the thing somewhere. I don't think I brought it with me. Which branch of the Sierra Club it was, I'm not sure; perhaps Napa County. But at any rate, I think the general sense of it was that if you have to have a mine, that this was well done. That was the general tenor of it, that they gave them some sort of commendation for doing a bad thing well, shall we say--no, they didn't put it that way. But that was the sense, that they did a good job.

Ceteras: I was curious about that, because--

Swent: I could send you, I've got it.

Ceteras: There was a letter written in Yolo County by the then-acting secretary of the Sierra Club chapter located in Davis, where it basically gave the blessing of the Sierra Club to the project. This was back in the permitting time again. Actually had some--the same person spoke up at a hearing or two, that, you know, Homestake was going to be a good neighbor and provide everything that they had promised, and my understanding was that person was then basically silenced by the leadership of the Sierra Club for stepping out of line and making a statement like that without the concurrence of the rest of the folks in the chapter. It was sort of a unilateral statement under their name. It wasn't just--it would have been one thing just as a person to give the blessing, but they sort of gave it from the Sierra Club, and then, of course, Homestake could wave that around as proof of their integrity. I believe there was some problems about that.

Swent: Oh, really? Well, there could well have been.

Ceteras: Yes. So I wasn't sure what that commendation--if they're still waving that same letter around, or if this is--it's very possible, though, it could be out of Napa.

Swent: I think--I'll check this--but I thought that it was an official award of some sort.

Ceteras: Maybe it has been; I don't really know. I was just curious.

Swent: I believe it was, but I'll check and let you know. What you're referring to was sort of a personal statement that was made by a Sierra Club person.

Ceteras: Yes, and signed as the Sierra Club secretary, you know.

Swent: The local section here?

Ceteras: Yes.

Swent: That would cause trouble, I'm sure.

Ceteras: But then I understood later that like the president and the other officers, and members too, were like scratching their heads; what business did they have doing that without our approval? So I wasn't sure if that was the same thing or not.

Swent: I think not, but I'll check and see. I'll let you know.

Ceteras: Yes, okay. That's another story, I guess.

Swent: Now, who was Ada Mehrhof?

Ceteras: She was the person who wrote the letter.

Swent: Was she the one? I know I've heard that name.

Ceteras: Yes, she was the secretary at the time.

Swent: She has died, I think.

Ceteras: She has died since then. Certainly Ada has done a lot of good in the community, so I have to be careful what I would say about her. I think in this case, though, she was a little bit out of line in some of her remarks. I'd just maybe leave it at that.

Politics and the Technical Review Committee

Swent: Okay. You had some other--

Ceteras: The other thing that happened interesting: we started out with two public members, as I said earlier, Avery Tindell and myself. At one point--this was where politics gets really mixed in with science, I guess, if you will. Homestake never did get along very well with Avery. Avery has always been pretty critical and has taken them to task on many occasions for things that they've said or done.

At one point, something happened which is impossible for me to document, as far as who did what to whom, but I believe one of the planning commissioners, who I think was more of a friend to Homestake than to us, the community people, decided that Avery was just like too much for them to stand listening to any more. So they reorganized the panel, and in doing so, only would allow one public member on the panel. Then I was contacted at the time by the director--at the time--of planning, and basically given the story that Avery wasn't going to be tolerated any longer, but that they really wanted me to continue, and wanted me to basically agree to being the only public member--

Swent: And who contacted you?

Ceteras: The director of planning at the time. We had a private meeting, which Gretchen, my wife, attended with me, because I knew there were going to be things said there that probably weren't supposed to leave the room. And I have basically kept pretty quiet about it, but the gist of the whole meeting was that Avery was going to have to go, but that I could stay.

So when this item went to the board of supervisors for approval--I told them then that, "Well, I object to that. Avery has been very valuable; his heart is in the right place. He may say things that people don't want to hear. He might go on longer than they would like him to go on in speaking. I don't think it's fair to him, though. I think that we both should be on there, that we bring a little different perspectives; we're both very interested."

And it was like, "Well, you think about it, John, because this is the way it's going to be."

So when it went to the board of supervisors, Avery and I were both there, and Homestake was there. This must have been about 1989 or so. The subject came up in the open meeting, and I stood up and said that--I believe they said, "Well, this is what we want to do. We're going to have these people on the committee," and I was one of them, and Avery was not even mentioned. It was just basically, he was going to be dropped.

I stood up and said, "Well, with all due respect, I would rather that you keep Avery on and kick me off, because I feel that he has done an exceptional job, he's diligent, he does his homework, he studies the documents closely, and I think we'd be doing ourselves a disservice by not letting him continue."

Having said that, they just basically ignored what I said and just moved ahead, took their vote, and voted to approve the panel, the new setup on there. What they did was, rather than accepting my bargain with them, basically eliminated both of us from the panel, without saying so. The next thing I knew, I got a letter from the board saying that, "We really appreciate your service as a member of the TRP and for all the work you've done, blah blah, blah blah. Thank you and goodnight." They put Ada Mehrhof on, the Sierra Club person, in my stead, and in Avery's stead, really.

So that happened, and there was quite a bit of outrage in the community. There were some very strong letters written referring back to when Ada wrote her Sierra Club letter, as it became known, as the Sierra Club letter. And also, pointing out that, "Look, she was basically muzzled for this. She did not speak for the Sierra Club. And now you've kicked off the two best people, the people we wanted to represent us, and you've put her on." And they just made a big deal about it, and they had a letter to the editor, and put it in the Friends of Cache Creek newsletter.

So then, the next thing I knew, our local supervisor approached me--

Swent: Who was that?

Ceteras: That was Coles Mast, who had appointed Ada, and said, "Well, John, I don't like all this lambasting of Ada. She's a good lady and she doesn't deserve this. Would you be willing to be on the panel again if Ada would step down?"

At the time, I said, "Well, I'll consider that. I'll think about it." And I explained to him then: I said, "You know, it was wrong the way you folks handled this from the beginning. I really didn't resign, and you know I didn't. I offered myself to resign in Avery's favor, and then rather than even enter into a discussion over that, you just let it go without saying a word to me, and I get this letter thanking me, and Ada's on and I'm off."

Now, in the meantime, Avery and I both continued to attend all the meetings and keep up with what was going on on the TRP. So anyway, it did boil down in the end that I felt that we just weren't being served, and even though my feelings were hurt over that treatment, that I think that I'd rather be back on there than not, so I agreed, you know, to go back. And that's what happened. Ada resigned, and I was reappointed, so there was a period of eight or ten months, I think, where I was officially not on the panel and then back on again, and it's never been really talked about or discussed since then by anyone. So it was really a politically motivated deal that had nothing to do with the best interest of anyone, except Homestake, perhaps; again because as I say, there were many heated discussions between he and Ray and other people from Homestake that Avery would not back down, and neither would they. Again, Avery and I have different ways of dealing with people. He's sometimes more abrasive than I am, and just wasn't as well liked, and therefore--. So he still attends all the meetings with me.

Swent: Even though he's not--

Ceteras: Even though he's not technically a member. We're still friends, and so forth. Anyway, it's just an interesting aside.

Swent: You meet monthly?

Ceteras: No, we meet as needed, after the annual monitoring report is sent to us. So we're meeting right now; we have a meeting next Tuesday. We'll be looking over our respective reports.

Swent: You divide up the reports?

Ceteras: Each person writes under the discipline that they're experienced in. In the case of the public member, I try to take a more general view, an overall view of how things are going or what I think might be better, something that could be changed that would better serve the public interest. And I listen; I think it's my job to listen to what the experts, the scientific people, are saying, you know, and when I think they need support for their findings, then I support them.

Swent: What clout or leverage do you have--you personally?

Ceteras: Personally? Oh, personally, I think I have the respect of the members of the panel. I think they all do give me due respect, as I certainly do for them. That I am a farmer living in Rumsey. That I am one of the closest people in one of the closest communities to the mine, respective of distance. That I'm a person that's followed this from the inception and has a deep interest in--actually, in Homestake's success, really, as long as it is done in a way that doesn't harm the public any more than necessary for them to accomplish their goals. So I think they do--they're pretty much absorbed in their world at UCD, and they come out this, whatever it takes, a few meetings per year, and then time on their own at home to digest all this, to read all this stuff, and write reports. I'm sort of a sounding board, probably, for them, and some sort of maybe a buffer between them and the rest of the community who don't have any idea, really, what's going on any more up there.

Looking 500 Years Down the Road

Swent: You must be a key person, if not the key person, on the panel, I would think.

Ceteras: I don't know. In a sense, in the community sense, I suppose that's true. Whoever it would be, whether it would be me or someone--I wanted Bob Speirs to really have the job, but he just didn't want to do that. But I certainly take it seriously, and I really feel that it's been helpful, and it's helped keep Homestake honest, and I'm very grateful that things have worked out pretty well. I still have concerns of the fate of the reservoir. It's so easy to look just within our lifetimes on something, and I try to look down--you know, to me, to speak in terms of 500 years from now is real. It's just as real as it is to speak fifty years from now. So I want to know what's going to happen to the reservoir, and I guess what Homestake basically explained to me at the last meeting was, Well, probably what will happen is that the reservoir will become full of sediment, and eventually not really be a lake any more but will become-- what they call an alpine meadow again, with a stream running through it.

I said, "Well, how long will that take?"

"Well, we don't know. It might take 100 years, it might take 500 years."

I said, "Well, eventually then, will we be letting all that mercury-laden material into the water stream at some point in time?" And it seemed to be an agreement with even our own members that no, it would be basically encapsulated in natural sediments, and that there wouldn't be any more coming down in 500 years than there was before they built the dam. That was the assurance they gave me. So I'm still mulling that over. I don't know if I buy that or not. But since a lot of my own panel members sort of agreed with that, I just sort of took that for the time being as the last word on it.

But my concern now is that responsibility for that water be on somebody's shoulders, even when Homestake picks up and leaves. And since they're going to maintain ownership, even though they're going to let the university like on a long-term lease or something like that use everything and work up there, somebody still has to be responsible. And I guess that the Department of Mines and Geology will always be monitoring the dam site, and Homestake, as long as they own it, will be responsible; like if it begins to fail, Homestake will have to step in and repair it.

But I see all the little things, like you know, the earthquake faults that are in the area, the historical earthquake data. Will it hold up after it's been there fifty years and we get hit by a 7 on the Richter, or is it going to basically dissolve and let everything out, and if so, where is it going to end up? Well, some of it will end up in front of my place, but a lot of it is going to end up down in the Sacramento River and impact larger communities besides Rumsey, which is insignificant, really, in the big picture, technically, except us that live here.

Swent: And you had a huge flood of rainfall last winter. Did that change things?

Ceteras: The dam basically overtops in the winter up there, it spills, until it equalizes. Didn't cause any--the dam is holding fine, I guess. They say that--and I guess it makes sense--that there's no more when it spills coming down than there would be if the dam wasn't there. The only thing I've always said is, "Well, it's true we're getting that mercury and whatever else might be in that water, but we're getting it in sort of slow doses, year by year by year and decade by decade. Now we're confining it to a big pot which I see as sort of a microbial stew up there, and what if that is released? That isn't the same as a stream running naturally both high and low."

But then that's when everybody, or Homestake, will say that, Well, you know, the dam is under the auspices of the state. We have to comply with the requirements of maintenance, and so you shouldn't worry about that. So basically that's probably true.

Swent: And then I wanted to ask about this--I think I noted that there was--the Cache Creek flood of '83 was supposed to have been so monstrous, and then one of the pros, I guess, for this dam was that it would help with flood control. Has that been--

Ceteras: I don't--I think it is very insignificant in flood control, really insignificant.

Swent: It's way up, it's a long ways up.

Ceteras: I think Homestake reported that they were dumping at the most 200 cubic feet per second, or less than that. I would have to look in my notes.

Swent: Well, if it's kept full, it's not going to do anything anyway for flood control, is it?

Ceteras: Right. And that's basically what's happened, is that Homestake has actually become quite conservative in their water use, and have not needed to use as much of that reservoir water as originally projected. They recycle a lot more than they thought they would. So it's true that the dam, for instance, between last winter and this winter, it was full last winter also. It's gone down very little. So today, it's probably topping over up there again.

Swent: Probably. We had a very big rain--

Ceteras: So I think it is really insignificant as far as flood control goes, and I think--

Swent: That was just--

Ceteras: When the creek is flooding, we're looking at 40,000 to 60,000 cubic feet per second, so 100 or 200 more or less just is really insignificant.

Swent: Sure. Did you have problems this last week with the flooding?

Ceteras: No. It hasn't been high enough this year to be any problem. We've had problems on our own property. In the '83 flood, we lost about two acres of ground, but we've done some bank reconstruction in a way that now we're able to take the higher flows without losing more ground.

Swent: That was exceptional.

Ceteras: Yes, it was, it was a bad one. '83 was a very bad year for us in that respect, and a lot of people.

Swent: And that was when all this was going on, too.

Ceteras: Yes, it was, right in the middle of everything.

Swent: That was quite a year.

Ceteras: Yea, right in the middle of everything.

Swent: Yes, that was a very bad year, from the standpoint of those things. Did you have other--you highlighted something else there.

Ceteras: Yes. Well, just the comment that the McLaughlin Mine necessitated careful proactive planning to defuse community hostility--

Swent: Do you feel defused?

Ceteras: --and ensure minimal environmental impact. Well, no, I think that's probably just a real true statement.

Swent: What you're quoting from here is a one-page flier that we did to explain this oral history project, and the significance of the mine, and why we thought it was worth documenting. So you think that--do you take exception to that?

Ceteras: No, I don't. I think that's probably true. It's simplified quite a bit. I mean, you go on to say that the three counties came to cooperate to simplify the permitting process and plan for the impacts the mine would bring. I guess, I mean, that's true, but it also--and it also defused the public comment by doing that, by being able to separate it county by county.

Swent: I think you've given a much fuller picture of that today.

Ceteras: Well, yes. There certainly are a lot of details that went by during that period, and it's such an unusual setup to be at the apex of three counties, and Homestake just really did an excellent job, I think, of using that to their advantage. And they had the right people at the right place to do it. I think others could have stumbled and fallen trying to pull that off. And I think we did good by clinging to what was left for us to cling to, as far as being able to be assured in the long run that we weren't going to be harmed by this mine.

You know, we went up to Butte, Montana, during this period, too. I wanted to go up and see the old Anaconda, because I had some friends that had been up there and said, "Boy, you want to see something, you go up and look at what's left up there in Butte." And so we did, and that helped in my mind to solidify my feelings that there is real cause for concern, regardless of how the laws have changed and technology, that the potential for another Anaconda type of mine is there. And even today, I'm looking at *National Geographic* and I see these mines in the third world countries that--they're by the same companies that are toeing the mark in the United States. They will still go to the third world--

##

Ceteras: --New Guinea, they don't give a damn. And they let that stuff go into all the waterways. The poor people downstream, you know? And these companies know what they're doing now; there's no excuse, really, that they should be allowed, but internationally, they're still getting away with murder.

Swent: I think you're referring to a mine called the Ok Tedi?

Ceteras: I may be.

Swent: In New Guinea, which has been a--

Ceteras: It's a gold mine also, I think, isn't it?

Swent: I think it is, yes, and it's been an environmental disaster.

Ceteras: People know now. There's no excuse. So when you tell me that the miners' hearts are in the right place, I mean, give me a break. It's at the bottom line, and the bottom line is profit, and the higher the profit, the better life is going to be for the company. They're always going to go for that, unless there are laws and people in place to make them do it right, and maybe cut their profit margin a little bit to do it. That's tough, but if they can get away with it, my own feeling is they're still going to do that.

I definitely don't feel that we've wasted our time by any means, being involved in this process, regardless of what Homestake has always said: "Well, see? You didn't have to--look at all the time you could have saved. We told you we were going to do it right." [laughter] Anyway.

Swent: Did you have anything else?

Ceteras: No, I think--that's all covered my notes. Few little things--I mean like I say, there's been so much water under the bridge on this project. It's hard to analyze it from A to Z.

Swent: I think you just gave a really good rationale, though, for oral history, when you say--there's a sentence in our flyer that says something, but you have fleshed that out wonderfully with--your information today has given life to that sentence, and changed it somewhat. Because the statement emphasizes the cooperation between the counties, and what you have pointed out is that there wasn't; it was fragmentation also.

Ceteras: Yes, absolutely.

Swent: That the cooperation wasn't the primary thing.

Ceteras: No. I think it's divide and conquer, as the old standard phrase for what happened there.

Swent: Yes. So there was sort of bureaucratic cooperation.

Ceteras: Yes, yes. The sense from the beginning was, This project is going to happen. The only decisions that have to be made really are minor decisions, but the big decision is, Is there going to be a mine or not? And I think that the politicos and the bureaucracy were convinced very early that it was going to be a project. So that's why I say anything that we could achieve is a victory, and it's like little things that we were able to do actually did end up counting for something.

Swent: They were not all that little.

Ceteras: And we had to take the stand that, I suppose you would have to say, "Well, there's not going to be a project, because of all these things." And then also knowing that somewhere in there, we're going to have to compromise. That's basically--I mean, it's hard to justify--. There are some resources, I think, that are more necessary than others, and gold is necessary for a lot of medical and technological reasons, but the basic use for gold is usually to go into like the Sultan of Brunei's vaults in the billions of dollars worth that sit there and basically guarantee earthly wealth, as opposed to humanitarian necessity. And so even from that standpoint, it's kind of hard to get real excited about--there's the jobs and that sort of thing that come along and that we're promised, some of which came true and some of which was--they brought in a lot of people from mines that they were closing in other parts of the country, too. Which is fine; I mean, those folks were either going to be out of work or move to Lake County and go back to work, and I guess if I was a miner, I'd probably move to Lake County and go back to work.

Swent: I think Yolo County had less of an economic stake in this than the other two counties did.

Ceteras: Yes, absolutely. I think we got the short end as far as any monies.

Swent: But by the same token, you could speak up, perhaps, without--

Ceteras: Yes. We also don't have the waste pits, the rock piles, the processing facilities, which all pose more potential danger than probably the reservoir. We had--probably the most benign side was in our county.

Swent: You could be more philosophical about it, then.

Ceteras: Yes, maybe so.

Swent: Okay. Well, I guess we've pretty well covered it.

Ceteras: I think so, yes. I'm not thinking of anything else. Let's see: one other thing I would say is that probably in another two to three years, there won't be any need for the technical review panel, so we may just phase ourselves out. Then again, I don't know. I'm leaving it open, but it would appear that once the pit is closed, it's going to be very little--the university is going to move in up there. They're going to have to assume some of the responsibilities for looking out for things. They'll finish processing the secondary ore, and then Homestake will be completely through with it, except that they'll still own it. So I don't know that there's going to be anything for the technical review panel to review. There may not be. Then again, the researchers might want us to stay in there, because we're a sounding board for them, and we always have been. Who knows? And I guess then it might become a matter of just making a decision there, but there's the potential, anyway, in the next three years, that our job will be done.

Swent: You could certainly feel you've done a good job.

Ceteras: I think so.

Swent: Very important.

Ceteras: I think so, yes. I know from the researchers' standpoint, I think they really--they want our comments and they look forward to them. It gives them a sense of whether they're doing their job right or not. So I think we have, and I think Homestake even now--and heaven knows, I don't know what they print and say outside of what I get in my hand here in Yolo County, but I have a feeling that they use us to their advantage too now, when they need to. I don't know that for a fact, but I mean--. Early on, they wanted nothing to do with this panel. It was just something they tried to sink right off the bat. In the end, I think, it's really been to their advantage. Anyway, that's about it, I guess.

Swent: I imagine they're using it to their advantage.

Ceteras: I would imagine. I think they would use anything that is usable. It only makes sense.

Swent: My sense is that you feel very gratified, though, for what you've been able to do.

Ceteras: Yes. I think so.

Swent: I think you should.

Ceteras: Yes, I feel we did make--that our county, at least they had enough sense to give us that much, to let us have the panel. They could have axed that too, if they wanted to. I think what the other counties have done is say, "We have our staff people here, they'll read the reports, and we've got the state and the feds watching them, and a few local offices, regulatory offices. We don't need this, you know, another panel of people to generate more paper or something like that." Because there was never even the beginnings of a panel like we have. Over the years, I've talked to a few people from Napa or Lake who have said things to me like, "You mean you have a panel down there of just people that--?"

And I'll explain to them, "Well, they're not just--they're scientific types, and I'm the person from the community on it."

"But we don't have anything like that. We don't know what's going on down there at the mine. We hear all kinds of stories about spills or this or that. And we don't know if it's rumor, or if it's fact, or--. And the employees, they won't say anything, because they're worried about their jobs, so they're not going to come home tattling on Homestake." So yes, I think we have served a good purpose.

Swent: Good.

Ceteras: Well, I guess we've done it.

Swent: I think so, and I certainly thank you.

Transcriber: Shannon Page
Final Typist: Shana Chen

Regional Oral History Office
The Bancroft Library

University of California
Berkeley, California

Western Mining in the Twentieth Century Series
Knoxville/McLaughlin Project

Harry M. Conger

PRESIDENT, CHAIRMAN, AND CEO, HOMESTAKE MINING COMPANY, 1977 TO 1994

Interviews Conducted by
Eleanor Swent
in 1994

Copyright © 1998 by The Regents of the University of California

Harry M. Conger, President and CEO, Homestake Mining Company, 1998.

TABLE OF CONTENTS--Harry M. Conger

INTERVIEW HISTORY 119

BIOGRAPHICAL INFORMATION 119b

I CHILDHOOD AND EDUCATION 120

- Lessons of the Depression 120
- Marriage to Phyllis Shepherd and Attending University of Washington 121
- Studies at Colorado School of Mines 121

II A MINING ENGINEER WITH ASARCO, 1955-1964 125

- The Silver Bell Mine, Arizona 125
- Service as a Lieutenent in the Army Reserve 125
- Shift Boss at the Open-Pit Copper Mine 126
- Learning Management Skills 126
- Stable Labor Relations 127
- Developing Larger Earth Moving Equipment and Rotary Drills 129
- Perfecting Better and Cheaper Explosives 130
- Improving Detonating Cord 131

III WORKING FOR KAISER STEEL COMPANY 134

- Eagle Mountain Iron Mine 134
- Trouble with Labor Unions 136
- Serving on the School Board; Learning Community Management 137
- Mine Foreman; Two Kinds of Ore for an Integrated Operation 138
- Applying Taconite Separation Research Observed in College 139
- Mine Superintendent; Assistant Manager; Learning the Processing Side 140
- Developing 100-Ton Tractor-Trailer Trucks and Hydraulic Shovels 141
- Early Environmental Concerns; Maintaining Water Quality 142

IV KAISER RESOURCES, LIMITED, 1970-1973 146

- Mining Metallurgical Coal in British Columbia 146
- A Major Flaw in the Mining Plan 147
- Vice President of Operations, to Straighten Out the Mess 149
- Problems with the Processing Plant 151
- Eight Trips to Japan to Explain the Situation 152
- Personnel Changes; Hiring More Canadians 153
- A Disastrous Visit by the Japanese Coal Expert 154
- More Bad Luck: A Fire in the Washing Plant 155
- A Major Mistake with Stock Gifts to Officers 156
- Decision to Leave Kaiser 158
- Hydraulic Mining with Japanese Miners 159
- Cleaning Up the Water: Increasingly Stringent Regulations 160

V CONSOLIDATION COAL COMPANY, 1973-1975 162

- Vice President and General Manager of a Division 162
- A Planned Management Reorganization 164
- Job Offer from Homestake 164

VI	HOMESTAKE MINING COMPANY, 1975-1978	166
	Vice President of the Base Metals Unit	166
	President and Chief Operating Officer, 1977	169
	Stanford University "Charm School"	170
	Another Consultant and Changing Strategy	171
	Exploration Program to Reaffirm a Premier Gold Mining Company	173
	A Sampling Mistake at Cherry Hill, California	174
VIII	THE MANHATTAN MINE DISCOVERY	177
	Don Gustafson, Bill Wilder, Bill Casburn	177
	Nervousness about Land Acquisition	179
	Making the Announcement, 28 August 1980	180
	Strengthening the Organization: Bill Humphrey, Jack Thompson	182
	The Board of Directors	183
	High Noncash Charges Result in a High-Cost Mine	186
	Unexpected Cost of Dams	190
IX	THE McLAUGHLIN PROJECT, 1980-1994	192
	Autoclaving Gold Ores: Developing a New Process	192
	Jack Thompson and the Community Relations Effort	193
	Ray Krauss and Reclamation Plans	195
	Recollection of Donald McLaughlin	198
	The World Gold Council	203
	Homestake Does Not Hedge or Sell Gold Forward	207
	New Alternatives in Investing in Gold	209

INTERVIEW HISTORY--Harry M. Conger

Harry M. Conger's interest and support have made possible the oral series on Western Mining in the Twentieth Century of which this volume is a part. Without his advice and encouragement, the series might well have been stillborn, and certainly the Knoxville/McLaughlin documentation would have been truncated. Conger was president of Homestake Mining Company at the time of the discovery by Homestake's geologists of gold at the Manhattan Mine in Napa County. It was his responsibility to oversee the progress from a prospect to a mine and processing plant with an anticipated life span of twenty-five years.

An invitation letter to be an interviewee was sent in August, 1993, and he accepted. By this time he had become chairman of the board of Homestake. Two interviews were held of two hours each, on 2 and 15 March 1994, in his spacious office on the eleventh floor of the Hartford Building, 650 California Street, San Francisco. He has a corner office with a stunning view of North Beach, Coit Tower, and the Golden Gate. The office decorations are primarily commemorative; most are mineral specimens displayed and mounted in rich variety. There is a small library of books on mines and minerals and a table with magazines from the industry. Like Harry Conger himself, the office is unpretentious and practical. He is trim and erect, with evident good health and good spirits. His auburn hair has only faint touches of gray.

As he points out in his interview, he was the first president of Homestake with a degree from a school of mines and with experience in mining operations. He is also unusual among mining executives of his generation in that he came from a family with no mining connection, and has had an outstanding career with four major companies. After graduating from the Colorado School of Mines, he began working for Asarco at the Bluebell copper mine in Arizona, and quickly rose from laborer to foreman. Then he worked for Kaiser Steel at Eagle Mountain in southern California, where again he rapidly was given larger responsibilities in management. In his oral history, he clearly explains technological innovations in explosives and earth-moving equipment which he advanced at this time. He was sent to British Columbia by Kaiser Resources to manage a troubled coal property there, and he does not shirk from frank discussion of the technical and administrative challenges he met.

Then he was recruited to manage coal mines in Illinois for Consolidation Coal Company, with the anticipation of much greater responsibility in the near future. He chose, however, after a few years in Illinois to accept Homestake's invitation in 1974 to return to California as vice president of their base metals division. By then he had broad experience with base metals and open pit mines using the most modern technology, as well as demonstrated skills in personal relations.

He also believed in paying more than lip service to the centrality of worker safety and health and environmental protection. All of these elements came into play as decisions were made in the development of the McLaughlin Mine. Under his leadership, Homestake continued its tradition of careful management with good employee relations; the company became known as a leader in the mining industry for its pioneer use of autoclaves to process gold ores and for its pro-active environmental policies. The McLaughlin Mine has won awards year after year for mine safety and for its good environmental practices and reclamation program. These accomplishments were possible because the commitment came from the top of the organization.

Harry Conger has assumed the other responsibilities commensurate with his position, serving as director of corporations including ASA Limited, Baker Hughes, Pacific Gas & Electric, CalMat Company; chairman of the World Gold Council and American Mining Congress; director of the National Mining Hall of Fame and trustee of California Institute of Technology. He successfully led a major fund drive for his alma mater. His many other honors and awards are listed in the accompanying biographical information.

The tapes of the interview were transcribed in the Regional Oral History Office, lightly edited, and sent to Conger in February, 1995, for review. He made a few corrections and returned the transcript promptly. The manuscript was corrected and indexed at our office. The tapes are deposited in The Bancroft Library and are available for study.

The Harry Conger interview is one of more than forty interviews which were conducted by the Regional Oral History Office from 1993-1997 in order to document the development of the McLaughlin gold mine in the Knoxville District of Lake, Napa, and Yolo Counties, California, from 1978-1996, as part of the ongoing oral history series devoted to Western Mining in the Twentieth Century. The Regional Oral History Office was established in 1954 to record the lives of persons who have contributed significantly to the history of California and the West. The office is a division of The Bancroft Library and is under the direction of Willa K. Baum.

Eleanor Swent
Project Director, Research Interviewer/Editor

Regional Oral History Office
The Bancroft Library
January 1998

Regional Oral History Office
Room 486 The Bancroft Library

University of California
Berkeley, California 94720

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name HARRY MILTON CONGER

Date of birth 07·22·30 Birthplace SEATTLE, WA

Father's full name HARRY MILTON CONGER, JR.

Occupation PLANT FOREMAN Birthplace WASHINGTON, D. C.

Mother's full name CAROLINE GUNNELL CONGER

Occupation HOUSEWIFE & STORE OWNER Birthplace TOLEDO, OH.

Your spouse PHYLLIS NADINE CONGER 01·12·31 to 04·25·89

Occupation HOUSEWIFE Birthplace SELAH, WA

Rosemary LAING SCHOLZ 02·22·91 DUN BLAINE, SCOTLAND
05·15·29 ← Birthdate — Wedding date

Your children HARRY MILTON CONGER IV, PRESTON GEORGE CONGER

Where did you grow up? Washington State, Utah, Virginia, Washington State

Present community Alamo, Ca.

Education EM Mining Engineering
Colorado School of Mines 1955

Occupation(s) Mining Engineer — Management

Areas of expertise Generally all areas involved in mining from field to Corp. management

Other interests or activities Tennis - travel - Fishing
bird hunting

Organizations in which you are active Colorado School of Mines
& California Inst. of Technology

HARRY M. CONGER

Chairman and Chief Executive Officer

Harry M. Conger (b. 7-22-30), Chairman ~~and Chief Executive Officer~~ of Homestake Mining Company, began his career with Homestake in 1975, with his appointment as Vice President and General Manager of the Base Metals Division.

Two years later, in 1977, Mr. Conger was elected President and member of the Board of Directors of Homestake, and in 1978 was also named Chief Executive Officer. In 1982 he was elected Chairman of the Board, and held all three posts until 1986 when a separate position, President and Chief Operating Officer, was created. He ~~has~~ remained Chairman and Chief Executive Officer since 1986. until his retirement as C.E.O. in 1996.

Mr. Conger began his career as a Mine Engineer and Shift Boss with ASARCO in Arizona, (1955 to 1964), during which time he served briefly with the U.S. Army Corps of Engineers (1956). He joined Kaiser Steel Corporation in 1964, rising to position of Manager in Kaiser's mine at Eagle Mountain, California, before moving to Kaiser Resources, Ltd. in Fernie, British Columbia, a subsidiary of Kaiser Steel, as Vice President and General Manager (1970 to 1972). Immediately prior to joining Homestake, he was Vice President and General Manager of the Midwestern Division of Consolidated Coal Company of Pinckneyville, Illinois, (1973 to 1975).

In addition to Homestake Mining Company, Mr. Conger serves as a Director of ASA Limited, a closed-end portfolio of gold stocks listed on the New York Stock Exchange; Pacific Gas and Electric Company (PG&E) of San Francisco; Baker Hughes Inc. of Houston, an oil and mining service company; and CalMat Company of Los Angeles, an integrated producer of cement, construction aggregates, pre-mixed concrete and asphalt mixes, and real estate development. retired from Board in 1997

Director of Apex Siver Corp., a start up silver mining company

Mr. Conger ~~is~~ was (1995-1997) the Chairman of the World Gold Council, past Chairman (1986-1989) of the American Mining Congress; 1994 recipient of American Mining Congress Distinguished Service Award; past Chairman of the Western Regional Council; a distinguished member of the American Institute of Mining Engineers and the Mining and Metallurgical Society of America; Member, National Academy of Engineering, and the recipient of the American Institute of Mining, Metallurgical & Petroleum Engineer's 1990 Charles F. Rand Memorial Award. He is also a member of the Board of Trustees of the California Institute of Technology (CalTech) in Pasadena. Member of the Mining & Metallurgical Society of America.

In April, 1989, Mr. Conger was elected to the Board of Governors of the National Mining Hall of Fame and Museum, a federally chartered, non-profit corporation organized to honor individuals who have made outstanding contributions to U.S. mining and to disseminate information about the industry. The Board of Governors is responsible for the election of honorees to the Hall of Fame.

1990 recipient of the Man of the year award of the American Mining Hall of Fame

Mr. Conger is a member of the Commonwealth Club of California, and the World Trade Club, Pacific Union and Bohemian Clubs of San Francisco.

Mr. Conger is a native of Seattle, Washington, and graduated from the Colorado School of Mines with a B.S. degree in mining engineering and holds honorary doctorates from the South Dakota School of Mines and the Colorado School of Mines. In 1978 he was also awarded a Distinguished Achievement Medal by his alma mater, the Colorado School of Mines. He is a registered professional engineer in both Arizona and Colorado.

~~1996~~
1997

I CHILDHOOD AND EDUCATION

[Interview 1: March 2, 1994]##[1]

Lessons of the Depression

Swent: Let's begin, Harry, if you don't mind, by saying where and when you were born, and we'll start with a little bit of your background.

Conger: [laughs] All right. I was born in Seattle, Washington, in 1930, July 22. As a youngster, I lived in a lot of different places, sort of a victim or a benefactor of the Depression, depending on which way you want to put that. Because there were pluses and minuses to that. I think those of us that grew up in the Depression probably were pretty lucky for the rest of our lives, because that sure gave us a basis for how to judge things and how to value things, not the least of which is work, and the benefit of having a job and keeping it.

Swent: Was your father involved in mining?

Conger: No. Not a college graduate. Went to college a couple of years, but did not graduate. Because of that, he didn't have any special skill, was not a craftsman of any kind, so work during the Depression time was tough for Dad.

We lived in Seattle for several years, then moved to Provo, Utah, where Dad worked at the pipe plant right next to the steel works as a safety engineer. Then moved from there to Maryland, right on the Chesapeake Bay shoreline, and my dad worked in Washington, D.C., with a landscaper for commercial buildings for several years; I just don't recall exactly how long that was. And then we moved to Falls Church, Virginia, which is also right outside Washington, D.C., where he continued to do that.

---

[1] This symbol (##) indicates that a tape or a segment of a tape has begun or ended. A guide to the tapes follows the transcript.

Then we moved back to Yakima, Washington, in about 1939, and my dad worked at a brewery there, in Selah, actually, which is a small town just outside of Yakima. So by this time I'm nine years old or so, and so we lived there--I lived there until I graduated from high school. That's where I graduated from high school.

Marriage to Phyllis Shepherd and Attending University of Washington

Conger: Then I went to college, got married--I had known Phyllis since I was nine years old, since I moved to Selah, so she and I grew up together.

Swent: What was her maiden name?

Conger: Shepherd.

So anyhow, we got married when we graduated from high school, and moved over to Seattle. She got a job and I went to the University of Washington, taking engineering. After two years there, the mining school sort of folded up there. I was interested in mining, with no real family interest in mining, just an interest of my own, transferred to the Colorado School of Mines.

Studies at Colorado School of Mines

Swent: How did you happen to do that?

Conger: Well, I just read the literature on the various schools, and that sounded good. I didn't know anybody that had gone there, but just from the literature. And by that time, I really had decided that that's what I wanted to do.

So transferred over there, got killed on transferring credits, because one school was on a quarter basis, the other was on a semester basis. So I didn't have enough hours or units in some of the subjects, so I had to take them over again just to get the number of units. It was sort of crazy, because they allowed me to take either half of the course--like physics was a two-semester course, a full-year course, Physics I and II. They said, "You can take either I or II, but you've got to take one of them to get the hours." So there was no prerequisite, because I'd taken them all. So anyhow, that caused me to backtrack, and I lost about a year and a half, I guess, in that.

But anyhow, graduated from Colorado--

Swent: Were you working summer jobs?

Conger: Oh, yes, and during the school year, worked evenings and weekends and so forth.

Swent: Anything that was relevant?

Conger: My work there was for the Colorado School of Mines experimental plant, where they used to do metallurgical testing for companies. So I just worked there as a laborer, helping set up the equipment and so forth for the new mill tests that they were going to run for the various ores that were being sent in for treatment to be bench tested. So just worked there doing that on an hourly rate, evenings and weekends, and I could pretty well work as much as I wanted to, which was great, because we needed the money. I was working for eighty-five cents an hour, so it took a lot of hours to build up something.

But Phyllis worked there. She was a receptionist and secretary to one of the Coors when we were there.

Graduated in '55--

Swent: Did you have good grades?

Conger: I was just a B average in school. So I'm just sort of an average kind of guy.

Swent: Were there any teachers that you were particularly influenced by?

Conger: Yes, I guess so. Not so much in college as in high school, I had several teachers that were really influential. But I don't recall--I remember some of the profs at school, but--. I guess a guy like George Bator in the mining department was an influence on how I viewed the industry.

Swent: In what sense?

Conger: In more of a practical operating sense, as opposed to the academic sense. So he was an influence on my development at that time.

But I really don't recall anyone else that sticks out as an influence.

Swent: Did you have time for any extracurricular activities?

Conger: No, I really didn't. I didn't belong to a fraternity or any of that stuff. Of course, I was married. I wouldn't have been interested anyhow. But no, I really didn't have much time.

Swent: So it's interesting that you went into mining when you had no family connection with it.

Conger: Yes. I was interested in engineering, and there was a small school that I attended for high school, so there was no such thing as counseling for career guidance and all that stuff. So I really didn't have anything at school to look at. The sciences were not well taught, because a small school can't afford teachers that are really very skilled at the sciences.

So I was at all sort of a disadvantage, and I really got a shock when I went to the University of Washington and enrolled as a freshman. It was a real shock. But after a couple of bad quarters, I recovered all of that and got going.

But as I learned more about mining and took a trip while at the University of Washington as a freshman to the mines up at Trail, British Columbia, Cominco's mine, that really told me that that was what I wanted to do.

Swent: Did you meet anybody there that influenced you?

Conger: No. But that was going to be my kind of work, because I'd always worked. I worked at sawmills, and I'd always worked as a young person. So I'd been in various kinds of industrial settings, and I liked the outdoors, remote situation that mining offered. And the engineering aspects of it were so varied that that appealed to me. Because I'm more of a generalist than I am a specialist in anything. So that all appealed to me. So that really told me that's what I wanted to do.

Swent: What year did you graduate from high school?

Conger: In '49.

Swent: So this was not the post-Sputnik era when engineering was being pushed in this country.

Conger: No, this predates all that.

Swent: So you graduated from Colorado--

Conger: In '55, so that's six years.

Swent: That was just the beginning of that explosion of interest in space and science.

Conger: Yes. See, '55--yes. Fifty-seven is when they put the thing up.

Swent: That's right.

Conger: That's right, that's when Preston G. Conger was born, my youngest son. I told Phyllis, "Well, let's call him Sputnik." She had a fit. She didn't think that was funny.

Swent: When was your first child born?

Conger: "Red" was born in '55. [Harry M. Conger IV]

Swent: You were still in college?

Conger: No. We had planned that beautifully. I had been to work for three months when he was born.

II A MINING ENGINEER WITH ASARCO, 1955-1964

The Silver Bell Mine, Arizona

Swent: So you graduated in '55 and were hired by Asarco.

Conger: Yes. Went to work down in Silver Bell. I had one of Asarco's scholarships when I was going to school.

Swent: You also had a WAAIME [Woman's Auxiliary, American Institute of Mining, Metallurgical, and Petroleum Engineers] scholarship?

Conger: I did, from here, from San Francisco, the Bay Area.

Swent: That's good.

Service as a Lieutenant in the Army Reserve

Conger: Yes. So went to Silver Bell first as a junior engineer. I had a commission in the army from ROTC, because we got paid thirty-five dollars a month in school if we took that. So that was a great supplement. So anyhow, got a commission when I graduated.

Swent: You were a second lieutenant?

Conger: Yes, and had to then report for duty to serve two years, which was the obligation at that time. So in '56, just before I was to report, they sent me a notice and said the federal government is reducing its military expenditures, and they were offering those of us in this group to serve for six months and be in the reserve for eight years if we chose. So I chose to do that, so I went into the service for six months in '56, and came back and--

Swent: Where did you go?

Conger: Fort Belvoir, Virginia, an engineer post--in Virginia, actually, just outside of Washington, D.C.--for two months, and then the remaining two months in Fort Lewis, Washington. So then I was discharged and went back to Silver Bell. I was there until '64.

Most of that time, I was a shift boss out in the mine.

Swent: Did you start as a shift boss?

Conger: No, I started as a junior engineer in the office, and then a year or two later, got out in the mine as a shift boss, which is where I wanted to be. I wanted to get into production.

Swent: Who were you working under? Who was there then?

Conger: Well, the mine superintendent when I went there was Bob Mean, who had come down from Salmon River, Idaho--I forget the name of the company that he had been with up there, a small underground operation. Anyhow, he was the mine superintendent, and Don Purvis, who was an old longtime Asarco guy, was the manager.

Shift Boss at the Open-Pit Copper Mine

Swent: What kind of mine was it?

Conger: It was an open-pit copper mine that had just started up when I got there. It was just a year, year and a half old, something like that, so it had just really gotten started.

Swent: Reworking of an old one or brand new?

Conger: No--well, yes, it was an old mining district, but not open-pit. It was an underground district, small underground mines, back in the turn of the century.

Learning Management Skills

Swent: What did you learn from this experience?

Conger: I really learned about operations, open-pit operations. I really learned my open-pit operating skills there. And of course, the opportunity to manage people and get started on that, and how to manage people in an industrial setting.

Swent: Who were the laborers there? Did you have Mexicans?

Conger: Oh, yes, about a third Hispanic, many of whom had been with the company for a long time and had transferred over from New Mexico, which is where the company had had underground mines at Chino. But about a third Hispanic, yes.

Swent: Was this an item, an issue?

Conger: No. They were very good workers, loyal, good family people, as you know. You've lived around them all your life. No, excellent people. And we had a lot of family friends--we lived with--it was a little camp.

Swent: Yes, what was the camp situation there? Was it a new camp also?

Conger: New camp, brand new camp.

Swent: New houses?

Conger: New houses, hardwood floors. It was really a lovely camp, very nice setting. Great place for the kids for their first nine years--Red's first nine years and Pres's seven years. Good schools. The schools were twenty miles away, but excellent schools, so the kids got a good--

Swent: What was the town?

Conger: Marana, down on the highway. But it was an ideal camp, really a nice camp. And good people. Because it was a good camp, good company, there were good people there.

Stable Labor Relations

Swent: Was it union?

Conger: Yes. District 50 of the United Mineworkers. That was okay.

Swent: I'm trying to think back to the times and the labor situation then.

Conger: That would have been in the mid-fifties to the early sixties. Those were good times as far as stability was concerned. Late fifties, there was a real low spot in copper prices, so everybody was sort of just marking time during that period of time.

But those years were years in which the unions generally acknowledged that wage increases could only come with productivity increases, so that the cost of the commodity didn't increase. In other words, if the company was able to increase the productivity per man shift through investment of capital, that would be shared with the labor force through wage increase. But the overall cost of a pound of copper in that case didn't go up.

Most industry, at least in the natural resources industries, was in step with that. The coal mines were doing that under John L. Lewis. He recognized that companies were going to have to use these modern mining machines, which are so much more productive than men picking coal out of the face, but he said, "Okay, I'll let you do that, but you're going to share that gain with us." So that was a pact that lasted as long as he lived. Coal industry costs during the fifties dropped every year for ten years, the absolute cost of producing coal. So people enjoyed cheaper coal than they otherwise would have.

But that was pretty much throughout industry, I think. Certainly the natural resource industries, where productivity gains offset wage increases, and wage increases were pretty modest back in those days. Inflation was low. So those were pretty good years for stability, right on through the sixties.

Swent: There were devastating strikes, though. San Manuel had a long strike in the early sixties, didn't they? Or maybe that didn't affect you. Perhaps they were a different district--

Conger: No, they were just right across the way. I don't know that they were United Mineworkers. I'm just trying to recall the strike, because we knew all of those people over there. I have forgotten that strike. So I don't know what the issue was, whether it was wages or--

Swent: I don't know either.

Conger: Well, now that you mention it, I do remember the strike, because the housing was an issue, whether those people could continue to live in the house when they weren't working, because it was company houses. I do remember that now. But I don't remember the issue. It probably was--wages was part of it. But generally, those years were pretty labor-strife free. I know Silver Bell never was on strike; we were never out on strike all those years.

Developing Larger Earth Moving Equipment and Rotary Drills

Swent: What sort of equipment were they using? What were you learning about technology in mining?

Conger: The technology in open-pit mining has basically been one of perfecting larger and larger equipment so that you kept your labor costs down by making each worker more productive, could handle more tons per shift. So we went through that evolution, of going to larger and larger trucks, shovels, dozers, graders--all that equipment just, each five or six years, we would come out with a new generation of equipment that was larger.

I guess the other major equipment change was--the early to middle fifties is when we really got into the rotary drilling business for blasting. Up until that time, most of the open-pit mines used old churn drills, which were very slow and didn't produce a very good drill hole, and took forever to drill. But then when Bucyrus-Erie really perfected the first mining rotary drill that was popular, that really changed that part of the operation. They just took the old Hughes roller-cone bit that was used in the oil industry for so many years prior to that--that dates back to the thirties--and for some reason, the industry just never picked up on that.

I guess one of the reasons was that a lot of the open-pittable ore rock was harder than the sediments that they drilled through for the oil industry, and that was undoubtedly a factor. But then the drill technology, the bit technology, improved. That happened in the early to mid-fifties. That was a technological advancement that really reduced costs in the mining operation.

But basically, it was generation after generation of larger equipment that gave higher productivity. That was really the basic thing. Tire technology had a terrible time keeping up with the trucks. That has been a constant battle over the years. Tire manufacturers did little if any R&D [research and development] on off-highway truck tires. It was all done at our mines, and early on, mainly at our expense, until we finally got enough manufacturers interested in it that we got some competition going. But that has always been a difficult problem.

We worked with Caterpillar Tractor on that, because they had the same fuss as we operators did, because they were making equipment. By this time, they were making rubber-tired equipment, which they had stayed away from for years. So they had a vested interest in seeing that their equipment went out of the factory with good tires on it.

So that was sort of a growing experience that the industry probably is pretty well balanced on now, because we've had the same truck size in common uae now for the last ten or fifteen years. So the technology has probably caught up with the use of the tires now, so that they are giving much better service.

Perfecting Better and Cheaper Explosives

Conger: Explosives, we worked in those years on that, perfecting better explosives, cheaper explosives. The disaster down in Brownsville, the Gulf Coast Texas city that had the ship that blew up with the nitrate in it back in '48 or '49, '50, somewhere along in there, that got people to thinking about nitrate as an explosive, after it pretty near blew up the town. It was a Chilean nitrate that had come up.

And of course, the powder companies, the Du Ponts of the world, were not keen on that becoming our explosive choice, because they didn't make it. But the people that did make it, the U.S. Steels and the other people who made nitrate as a byproduct of their steel process, got into it and started pushing that, and forced Du Pont and the others to get active in that too.

So the nitrate that came into common use in the early fifties, mid-fifties, was mixed with fuel oil, just diesel oil. For many rock types, that was sufficient energy to break the rock very well.

In harder rock, there was not enough energy in ammonium nitrate-fuel oil mixture, so--

Swent: What was that called?

Conger: Anfo. So we worked in--this is particularly true at Eagle Mountain, when I got over there, we had some very, very tough quartzite rock overburden. So we worked with various manufacturers of explosives on additives to the ammonium nitrate and fuel oil to give it more energy, oxidants, and one of which was aluminum, the metal, to get a lot more energy per pound of explosive. So we did a lot of work with them to perfect that.

The other problem with ammonium nitrate and fuel oil, it's not waterproof. So if you've got wet holes, you've got water accumulating in the bottom of your drill holes, you cannot put ammonium nitrate in that. It would not detonate. So we worked at developing gels. When I say "we," I'm talking about we operators at the mines. Some mines, and really fortunately, I was at one of them, did a lot more on this than other mines, creating a waterproof gel by putting guar in with the ammonium nitrate, aluminum, fuel oil, and guar. The guar set up as a gel, so that water couldn't penetrate it and dissolve the ammonium nitrate, little prells.

Improving Detonating Cord

Conger: And during that time we did a lot of work with Ensign Bickford, who had the franchise on making detonating cord, which is a cord that had--it's like the old fuse, only this had a propellant in it that actually exploded. You would drop it--you'd have a string of it on a roll, and you could drop it down in the hole with the ammonium nitrate, and put what we called a booster, which is a very highgrade explosive. It would be a little tube like that [demonstrates with hands], and it had a hole through it so the cord with the detonation in it goes through this booster. The cord, when it exploded inside the booster, caused the booster to explode, which then detonated the ammonium nitrate. So it was that sequence. So all of this was developed during those years.

Swent: You personally were actually working on this?

Conger: Yes, because we had the problem, so we were having these people coming in and helping us with these various problems. So we got a chance to work with the Ensign Bickford people a lot on that.

We developed a special delay system at Eagle Mountain. Delays, when talking about explosives, are a device that times or sequences the order in which blast holes can be detonated.

##

Conger: To achieve maximum fragmentation, you want to blast rock to a free face. When you have these huge blasts that are very deep, they start at the front of a bank, in the pit or underground, either one. The blast knocks off the front layer, but then you've got holes behind that don't have a free face until the front is blasted down. So you just progressively--you want them to go off progressively, away from the free face you started with. You keep creating new free faces to blast to.

The trick is to follow each succession of blast very quickly, or the ground movement will disturb the holes that haven't gone off yet and cut off the cord so that they won't go off. We developed during those years of millisecond delays, so that they were going off successively, but one or two milliseconds after one another. We developed cord that would do that, and take the millisecond delay down the hole instead of on surface. So that was all going on in those years, too.

All of those things helped keep the cost of moving a ton of rock down, and kept the commodity prices down, which is why the U.S., even with lower-grade deposits than the rest of the world, always produced cheaper copper, cheaper iron, or cheaper gold, cheaper everything. Because we just kept doing it better, doing it cheaper, as we developed all of these things. That was all of those years.

I'm out of it now. I don't have the fun any more of watching what the younger people are doing, but I'm sure they're doing the same thing today, and making those same kinds of advances. I'm out of it.

Swent: You clearly enjoyed it.

Conger: Oh, absolutely. Those were great years. Just really fun.

Swent: So you went there, started as a junior engineer, and then became--

Conger: A shift boss, and I shifted up until I left. I must have shifted for six or seven years, I guess.

Swent: What did this involve? How many people were you responsible for?

Conger: Oh, I guess our crews ranged from twelve to fifteen people, something like that, eighteen people.

Swent: Different shifts?

Conger: Different shifts, yes. Rotated shifts.

Swent: And you learned all about it.

Conger: Yes. All the goods and the bads of all of that stuff.

Swent: Were the workers resisting any of this new technology?

Conger: No. The years I was working with people right in the mine, I think it was a sign of the times, because those were very stable years. But it was not acrimonious. I guess part of it was because of me and how I work with people. But even so generally, just at the mine. We all lived together at camp and we all went up to the grounds and the rec hall and everything together. Had the swimming pool we all used. You lived in the same circumstances; you know that.

We had the odd person that was a bum. You always have one or two of those that want something for nothing--everything for nothing. We had those, but generally speaking, when we came to grips with them, most of the other people said, "Well, it's about time that they took care of that person." It was a good time.

III WORKING FOR KAISER STEEL COMPANY

Eagle Mountain Iron Mine

Conger: Eagle Mountain was tougher than Silver Bell.

Swent: How did you happen to leave Asarco to go with Kaiser?

Conger: I had shifted for five or six years, six or seven years, whatever that adds up to, and I had had enough of that. They did offer me a job, they were opening up another mine down south of Tucson, the Mission mine. One of the guys that I was shifting with, he was older than I was and had worked with the company longer, they offered him the mine superintendent's job, which was great. I thought that was good that he got that.

Swent: What was his name?

Conger: His name was John Sense. I thought, Well, yes, I've been here a long time. I wonder what's in store for me.

Bob Mean, the fellow that had been the mine superintendent at Silver Bell, was made manager down there. Don Purvis died of a heart attack right in this time, which was terrible. He was a very young guy. He wasn't even fifty, I don't think. So anyhow, Don would have gone down to start up the new mine but died, so then Bob went down to do that. He asked me to come down as a shift boss. That meant we would have had to live in Tucson and not have company housing. I said, "Well, how long will I have to do--I've been shifting for seven years or something. How long will I have to do that, do you suppose?"

He said, "Well, we don't know. We're not starting up anything else for a while."

I asked John, who was a friend of mine, "John, should I come down there and do that?"

He said, "Well, if I were you, I wouldn't do that."

I said, "Well, since I'd be working for you, I guess I won't."

And that was good advice of his. There was no acrimony in it. So I thought, and I knew that once you turn a company down on something they ask you to do, you ought to make some other plans, which I started doing. After I forget how long, this opportunity at Eagle Mountain came up.

Swent: How did that happen to come up?

Conger: Just through the grapevine. They heard about me. I had told one of the peddlers, "I think I'll move on. If you hear of anything, let me know."

He talked to them and--

Swent: "Peddlers?"

Conger: Salesmen. Equipment salesmen. Actually, it was through Bucyrus-Erie people who we'd done a lot of work on their stuff too, and they were always around for equipment sales and so forth. Anyhow, we got to know several of those people. It was through that contact, really, that I was informed of this other job.

I wrote over there, and they said, "Yes, come on over, and take a look." So I did that. I went to work there as a foreman, and had several shifters under me, but I was on shift. I was just on day shift; I didn't have to work nights. I went to work at four in the morning and got off at six in the evening, so it was almost like working nights.

Swent: Where was this?

Conger: That was Eagle Mountain, which is halfway between Indio and Blythe, right out in the middle of the Mojave Desert. It was a camp, a much bigger camp than Silver Bell. Heck, we must have had 3,500 people there or something like that. Silver Bell, I don't think we had more than 500 people in town, and probably only 150 in the work force. Very efficient mine. Smaller mine. But Eagle Mountain was quite a bit bigger.

Trouble with Labor Unions

Conger: The labor situation there was a lot different. We had a lot of union trouble, and--

Swent: What union was it?

Conger: Well, it was unions, which is part of the reason we had union trouble. There was a master contract with the Building Trades union in San Bernardino. Now we're over in the outskirts of Los Angeles. There were the Teamsters, and there was the Operating Engineers, and there were the Laborers union, Electricians union. All of them came under this Building Trades master contract, but each of them had their own contract--each union had his own contract. All the people had to be hired through the hiring hall in San Bernardino to come out to Eagle Mountain.

That was not a nice, homogeneous, get-along crew of people. [laughs] A lot of strife, both at work and in camp. So that was a very difficult labor situation. A lot of people who couldn't get work in the San Bernardino area, we wound up with them, because they just couldn't get work there. People wouldn't hire them. We had to have somebody, so we hired the best of those that were presented to us, but they were sort of the bottom of the stack. So it was a difficult situation.

A lot of people with criminal records came out there. And in those days, you were able to find out, you were able to ask those questions. But we had to have people, so we hired a lot of them.

Swent: Your housing situation, you were all living--

Conger: In a camp, yes.

Swent: Were there levels of housing?

Conger: No.

Swent: Everybody all mixed up together.

Conger: It was okay. I don't fault that. Same way at Silver Bell, we didn't--. The manager and the superintendent were sort of down at the end of the road, but not really set off like in a manager's house up on the hill kind of thing. Not like Jerome [Arizona]; it's not like that.

Swent: No. Times have changed.

Conger: Times have changed. Not like Lead [South Dakota]; times have changed.

Serving on the School Board; Learning Community Management

Swent: Was there a school there?

Conger: Yes. In fact, I was elected to the school board when I was there. But [laughs] that waa no less strife-ridden than any of the other things. We had a lot of strife over that. Those school board meetings would go until two or three in the morning. Oh, terrible.

Swent: Had you gotten involved in any community activities at Silver Bell?

Conger: That was a much more closed camp, and it was quite small, and we really didn't have--we had softball leagues and all of that stuff, and all of the holidays we had, the company would put on a dinner or something at the recreation hall. On New Year's Eve there would be a New Year's Eve party, and those kinds of things. But no, there were no civic kinds of things. A small group of people.

Swent: So Eagle Mountain was your first experience with that kind of thing.

Conger: Yes.

Swent: You had your own school district?

Conger: Yes. There ain't much out there. It was just the mine, and the Metropolitan Water District had a pumping plant just a few miles from there, so their kids came to our schools, too.

Swent: What about health care?

Conger: We had a resident doctor there. No clinic. The doctor took care of people there, or everybody went into Indio, which is sixty miles away. It wasn't that far. At Silver Bell, we did not have a doctor, and it was forty-five miles from Tucson. It was sort of a comparable situation.

Swent: So you were getting an education in labor and--

Conger: Yes, and community management, because they were such a diverse group of people. We had a lot of single people there, so we had bunk houses. We had to see that there was a cafe there, and keeping cooks was a--you couldn't keep a cook to save your soul. You knew when they were about ready to leave you, because the food got so bad. They just didn't care any more, so they were just putting slop out, and the guys would come to work and complain, and you'd have to go down to the cafe and get the owner and all of that stuff.

Swent: Was that part of your job?

Conger: Well, as I progressed up through it. Certainly it was the manager's responsibility to see that all of that got done. But as I took on more responsibility, he gave me little chores, like that and other things, as I moved up through the organization.

Mine Foreman; Two Kinds of Ore for an Integrated Operation

Swent: Let's discuss that a bit, how you moved up. You went there as a foreman, and then you became mine superintendent?

Conger: Mine superintendent, and then general manager.

Swent: Were there again technological problems with the mining, or was that pretty well established?

Conger: I was talking a few minutes ago about the various things that happened, and it was at both mines. Those sort of run together. But much of the explosive development came at Eagle Mountain, because the rock there was so difficult, required special kinds of energy releases. So we did more of the work on explosive development there than at Silver Bell.

Swent: You had mentioned earlier that this was really a very large--not only more people, but it was the only integrated--

Conger: Kaiser Steel was the only integrated steel mill on the West Coast, that's right, to take iron ore and convert it into steel and then make a full range of products.

Swent: This was probably pretty exciting.

Conger: Yes, it was, because it was growing right then, and I was hired as part of this expansion, to build a new pellet plant, which the feed for that came from a different type of ore. We had the two different types of ore at Eagle Mountain, which is unusual for an iron ore mine. Few of the Mesabi [Minnesota] mines had the two different kinds of ore. They were either oxide, Fe_2O_3, or magnetite, Fe_3O_4, the taconite being the latter. All of the early Mesabi mines were the oxides, Fe_2O_3, which were very high-grade and could be beneficiated or upgraded very easily, just by gravity. In fact, some of the Mesabi ores were so rich, they didn't have to do anything with them.

But our Eagle Mountain ore was not that rich, so we had to beneficiate it or upgrade it, take some of the waste rock out of it. Blast furnaces want a feed that's at least 60 percent iron, preferably 65. Once they start getting pellet, then they became very fussy, because pellets usually are 65 percent iron or better. That just makes a blast furnace that much more productive.

Applying Taconite Separation Research Observed in College

Swent: This pelletizing came in from the Mesabi area.

Conger: Yes, and the taconites. In fact, I told you when I was at school working at the experimental plant part-time, one of the jobs they had was to perfect the electric separator that took the taconite ore, and when it's ground up, liberates the magnetite, Fe_3O_4, which is magnetic, and they were doing the experimental work for the rolls that go down through the pulp, just like a disk filter, only instead of sucking the material to the filter cloth, like we do in a conventional mill, these rolls were steel plates with a magnet inside, and it pulled the magnetite out of the pulp onto the drum, and the waste rock just stayed in the pulp. So the magnetite now comes up out of the pulp and is scraped off, and it's ready to be further processed. That's how we separated the Fe_3O_4 from the waste rock. That was being done at the School of Mines when I was there, the early test work on that.

Swent: So you were already familiar with that.

Conger: As it turns out, I was. I had watched this work.

Anyhow, we then had a large reserve of this Fe_3O_4, so then we started doing the same thing. Built a pellet plant, but the reason you build a pellet plant is that once you have ground up the rock to separate the magnetite from the waste rock, liberate it, then you've segregated the two by this magnetic separation. Now you've got this fine magnetite. Well, if you dump that in the top of a blast furnace, it just gets all blown out of the stack before it's converted to iron.

Pelletizing is a way to agglomerate it into little balls, and then when you dump it into the top of the furnace, it doesn't go up as dust, it settles into the bed and gets converted into pig iron. It's just a way of making lump out of these fines. That is done by adding bentonite to these fines, and then putting them in these huge drums, and the drums rotating just caused this stuff to start making balls, and it just rolls into balls. Then you bake them, you indurate them, with gas, converting the Fe_3O_4 to Fe_2O_3, so they become very hard and don't break up. That's pelletizing.

Swent: And you put in that whole thing--

Conger: We put in the whole thing there, started a whole new plant to do all of that, in addition to the old plant that we had that treated the oxide ore.

Swent: What was your specific role in that?

Conger: Well, it depends on--on that particular thing, I was hired as foreman to expand the mining operation, because we were going to have to mine twice as much, meant we had to get busy and strip open all of this magnetite that we were going to have to start mining now. We expanded the pit operation, quadrupled it, in a year and a half period.

Mine Superintendent; Assistant Manager; Learning the Processing Side

Conger: I had only been there about five or six months when the mine superintendent left and I became mine superintendent. I was responsible for getting the mine up to that rate of production, during that specific period of time. Then I became general superintendent, and we started some underground mine practice to see if we could really mine some of the deeper ore underground, see what kind of costs we could get. I went over to Sweden to see some of those underground mines of theirs that were sort of the standard-setters for underground iron ore mining at that time.

Swent: Which ones did you visit?

Conger: Went to Kiruna and Malmberget, right up on the Arctic Circle.

Those things sort of ran together. Then I became assistant manager, which got me more involved with the processing side of--up until that time, I'd been handling all the mining side of the property, and then became assistant manager and became more active with the processing, the plant operations. We had fifty-one miles of railroad that took our product from the mine down to the Salton Sea, where the Southern Pacific then picked up the cars and took them on in to Fontana, or if they were pellets, took them on over to Long Beach to be loaded on ship to go to Japan. So we ran fifty-one miles of railroad, had our own locomotives and everything, and maintained the track. I was responsible for that.

Developing 100-Ton Tractor-Trailer Trucks and Hydraulic Shovels

Swent: You might want to mention the size of the trucks you were using.

Conger: Well, we were amongst the first mines that developed the 100-ton truck.

Swent: Who made them?

Conger: Kenworth made them, Kenworth-Dart made those early trucks. Because of the technology in those days, those first trucks were tractor-trailers. That requires a much more skillful driver than a two-axle truck. It's much easier to back up, and of course, half of the mine driving function is backing up. You're either backing up to a shovel to be loaded, or you're backing up to a dump to dump it, or backing up to the crusher to crush it. So backing up is an important part of a mine truck operation, and semis, the tractor-trailers, were hard to back up. It took more skill.

That presented a challenge to us, because truck drivers are hard to keep. They're a transient group of people. We were always training truck drivers and untangling trucks that they were unable to handle properly.

But at any rate, we were pioneering that, and got good benefit from it. Our costs were low. That fleet built up to over 100 trucks at one time.

Swent: An enormous investment.

Conger: Huge investment. Huge investment.

Swent: How much does one cost?

Conger: Oh, now they cost ten times what they did then. But then, it was just as dear, because everything was relative. They're very expensive. And I don't recall, maybe $100,000 in those days, or something like that. Now they'd be $800,000 or so, or comparable.

Swent: You said you had a lot of visitors.

Conger: A lot of visitors. A lot of people came out to see that, and see how they worked. Of course, everybody said, "How in the hell do you put up with these tractor-trailers? They're a pain in the neck." But that's all that was available at the time, so we put up with that. Started out with sixty-five-tonners, which were the biggest trucks at that time. At Silver Bell, we had forty-tonners, which were brand-new when we started out. They were Kenworth-Darts, but they were two-axle.

But Eagle Mountain, by the time I got there, had been experimenting with the sixty-five-tonners, but these were tractor-trailers. Then while I was there, we bought a fleet of hundred-tonners from Kenworth, also tractor-trailer.

At any rate, as I mentioned to you, we had a lot of people, a lot of visitors come out to see what we were doing and how we were doing it, so I got a chance to meet a lot of people that way. It was a great experience.

We also built one of the first hydraulic shovels in conjunction with Bucyrus-Erie. We took one of our old shovels, gave it to them, parked it out on a dump, and they took the front end off and put a new hydraulic front end on it, instead of a cable-activated shovel, dipper movement. We had a lot of visitors when we got that up and running, too, and that was less than successful. Very difficult to keep the hydraulics working on it. It would shoot hydraulic fluid all over the place. So we finally gave up on that and put it back the way it was, put the front end on it. But got a lot of visitors with that.

That was a precursor of what we see now in so many of the pits, these hydraulic shovels, many of which are coming from Europe now. But that was sort of the precursor of those, back in the early sixties.

Early Environmental Concerns; Maintaining Water Quality

Swent: Were there environmental concerns?

Conger: Just starting. Just starting. Our concerns were more related to our employees. Dust out in the desert, dust was a problem, and keeping the roads wet, and the muck piles wet down so that it was not dusty for our employees, and of course for the equipment too, for that matter.

Swent: So it was safety and health more than external environmental--?

Conger: Yes. The environmental stuff was just starting. In fact, we got a request from the California Department of Water, must have been in the early sixties. One of the residues from our beneficiating or upgrading the iron ore, one of the residues was what we call slimes, which is very, very fine iron ore in clay that we can't do anything with. So we just used to build ponds like what we call tailings ponds in hard rock, or in nonferrous mining.

These slime ponds, you just build a berm around an area, and just impound these slimes in it. Because they were so fine, you couldn't build a berm with them like we can conventional tailings, because there was no sand fraction. It was just all slimes. So we had these slime ponds just sitting out on the desert floor, on the alluvium, down off the outcrop where the mine was.

The Department of Water sent us a letter and asked us to send them a sample of the water in our slime ponds. They must have flown over it and seen these ponds. Of course, there was just water in one end of it, like a tailings pond. The chief engineer got it, and he worked for me. I think I was assistant manager then. Anyhow, he did it. He got a fruit jar, and went down to the slime pond and scooped out a jug full of that stuff, and mailed it off to them.

God, about two months later, we got a notice from the state that we were going to have to shut down the mine, because they suspected that this water, which ran 35,000 parts per million suspended solids--I mean, it was just pure gunk, which it was--if that seeped into the water table, it could contaminate the water.

Well, first of all, the water in the water table was so brackish, you could hardly drink it. All our kids drank bottled water, because there was so much fluorine in the water that it would mottle teeth. We only used this for process water. So none of the kids drank that water.

##

Swent: You were explaining that the water there was not very good to drink.

Conger: Yes, that's right. But in any case, the state was just appalled that we were placing this solution out on the desert floor, and wanted to know if we had these ponds lined. [laughs] This was incredible to us, that they would even suspect that we were going to contaminate that water source.

Unfortunately, the second letter came to the manager instead of the chief engineer that sent in the stuff, because when he read it, he just went through the roof. He called me into his office and he said, "Conger, what is this?" And he throws this letter at me.

I said, "God, I don't know."

I looked at it, read the letter and said, "I don't know. I don't know anything about this. Let me ask Brummett, our chief engineer, if he knows anything about it."

He said, "Yes, find out."

So he walks with me into Brummett's office. I said, "Dick, do you know anything about this?"

He said, "Oh, yes, I remember that. They wrote and asked me to send them a sample of that water, so I got a fruit jar and scooped it up and sent it to them."

Hughes said, "Why didn't you go into the bathroom and just fill it up with tap water and send it to them?" He was beside himself.

Anyhow, that was the first real contact we had with anything really what we now think of as environmental. It brought us into the new world--at least, it brought me into the new world. Because we then proceeded to demonstrate to them, and it was fortuitous that we were not contaminating the ground water, because we never thought about it. In those days, you just didn't think about those things.

But by virtue of the fact that it was slimes we were impounding, first of all, slimes hold ten times their weight in water. They don't give up water. And secondly, they're a great sealant. Any cracks that there were in the alluvium, the slimes quickly sealed it, because they're so fine. So by a great stroke of luck, we happened to be impounding a material that was self-sealing. We demonstrated that to the state.

And indeed, when we built the next slime pond, all we had to do to satisfy them was take some dried slimes, which was hard to find, because they never dry after years, but we scraped off crust off some old ponds, and just layered the bottom of the new pond with them. They were satisfied, and should have been, because it solved the problem. But that was by luck, not by any of our planning. But that brought us into the twentieth century, environmentally. Me, anyhow. From then on, it was a new world.

Fortunately, we didn't have any chemicals. In iron ore processing, you don't have any chemicals. Now, we did have some ambient air problems, in that we were indurating the pellets, baking them, and that oxidized the sulfur that occurs with the magnetite. So we generated SO_2, and we didn't have SO_2 capture in those days. It went right into atmosphere. But we had a stack, not too high a stack, but a stack, and that didn't present much of a problem. Seldom, if ever, did the fumes ever get into the town. It was manageable. It wouldn't be today; it wouldn't pass the standards today, but in that time, it was acceptable and not that disagreeable. So those were really the only environmental things that--.

Swent: I'm thinking particularly of the things that were relevant later in your experience.

Conger: That's right. Going to Canada was just a continuation of that.

IV KAISER RESOURCES, LIMITED, 1970-1973

Mining Metallurgical Coal in British Columbia

Swent: All right, shall we move on to that? This was in 1970.

Conger: I went up there in 1970, yes.

Swent: How did you happen to go up there?

Conger: By this time, I was manager at Eagle Mountain, and had managed the mine for a year or so. The company was starting a new coal mine, surface coal mine and underground coal mines both, in British Columbia, very near the Alberta border, up in the Rockies. The mines collectively were called Balmer. The name comes from the huge coal seam (up to fifty feet thick) that was being mined.

Swent: This is still Kaiser Steel?

Conger: Kaiser Steel created this new Canadian company called Kaiser Resources, whose business would be to mine metallurgical coal and ship it to Japan for their steel industry. The company had made a very large investment in getting the mine and the preparation plant, which washed the ash out of the coal, built and started up. All the while, I was at Eagle Mountain managing the mine; I was not involved with that, except that the mine operation was going to incorporate new prototype equipment. Where we had been using 100-ton trucks at Eagle Mountain, the new mine was going to use 150-ton trucks. As a matter of fact, they were touted as 200-ton trucks, and I guess 200-ton trucks would be more accurate, because when we finally got it all through, I think they were 180-ton trucks, after we got them working.

But we bought a whole new fleet of 200-ton trucks, and where our biggest shovels at Eagle Mountain, and indeed in the industry, were twelve-yard shovels, we bought and erected twenty-five-yard shovels. Twice as big.

So the whole mine was set up on a prototype basis. All of the equipment was prototype equipment. Nobody had used them before. The shovels were P&H, the trucks were--I'm forgetting now--they were Unit Rigs, I'm pretty sure.

Anyhow, we were the people that advised the manufacturers on it. They all came to us, because we'd been running all the equipment at Eagle Mountain. We inputted the design of both the trucks and the shovels, so we did have that involvement. But then we didn't have anything to do with the erection of the equipment, the development of the mine, the mine plant, or the preparation plant, or the port facility. We had to build a deep-sea port facility in Vancouver to load the coal on to the ships to go to Japan.

Swent: You say "we didn't do" something; who is "we?"

Conger: "We", at Eagle Mountain.

Swent: Okay. But Kaiser Resources did.

Conger: Yes, Kaiser Resources, Kaiser Steel, did. So other than inputting the design for the equipment, the Eagle Mountain people didn't have any further input on that.

A Major Flaw in the Mining Plan

Conger: In April of '69, they had to make their first shipment to the Japanese, and they could not produce coal to the specifications that the contract called for. Point of fact is, they couldn't even come close to producing it, because they made a couple of basic mistakes, one of which was that in order to take advantage of the tax holiday the Canadians were offering to new investment in resource projects, the government was allowing the first three years of a new operation to go tax-free. So the strategy to use that was, let's strip the shallowest coal first, which would take the least stripping, and then later on, when we have to start paying taxes, we'll catch up the stripping, and since we're paying higher taxes, and that's an expense, the government will help pay for the stripping, by virtue of the fact that we get to subtract that as an expense.

The flaw in the plan was that the shallower coal that they stripped open was oxidized and was no longer metallurgical coal. It had oxidized, and I don't know if you know what makes metallurgical coal--

Swent: Not really.

Conger: It has a characteristic, besides being very high fuel value, very high calorific value, has a characteristic of when you heat it in the absence of oxygen, you drive off the volatile gases. But it expands into a fluffy little lump of quite a bit of strength. The beauty of that is that when you charge a blast furnace and put it in the top of the stack, and then it's part of the bed that goes down into the hearth, the swelled up lumps of metallurgical coal let the gases pass through it, and it doesn't become crushed and impervious, and it is just the right consistency to make blast furnaces very efficient.

What happens when that kind of coal oxidizes, it loses all those gases and fluids that then let it fluff up and become a nice piece of coal that's just right for the blast furnace. And, some of the oxidation uses up some of the calorific content, so there's not as much energy, as much fuel, in it.

This is what they had stripped. When they got down in the coal and found out that it was not metallurgical, then here the ships were coming over to get it. And they didn't have it. That was in April of '70.

Swent: Just after you went there?

Conger: No, I went in July. I went on my birthday, July 22, I went up there. So that was in April; the ships weren't coming.

Jack Carlson and his troops--and by this time--you know him--

Swent: Yes.

Conger: If he had any hair then, he lost it right then. So he goes up there with his colleagues to see what in the hell has happened. They promised they were going to ship this stuff, and here the ships are coming, and there's nothing at the port to put on them. He was really unhappy with that.

They told him that they were going to do this and that. That was April. Then May comes along and still no shipments. June comes along, still no shipments.

So Carlson called me up to Oakland on my birthday, July 22, and said, "We're having this--" of course, I knew we were having--we all, everybody in the company knew we were having this trouble, and it was going to sink the company, because we had put so much money into it. He said, "We're having this problem up there," and he wanted me to go up and take that over. Would I do that?

I said yes, I would do that. I had been up once in April. They had sent me up there to just take a look at what was going on, when they learned that they weren't going to fill the ships. Said, "Go up and take a look and see what's happening." So I knew the guy that was running the plant and everything. I got a pretty good idea of what was going on and what was wrong. Anyhow, I had been there once before.

Anyway, he called me up in July. They sent the plane down for me, picked me up. There was an old military landing strip right there near the mine. I went down and got on the airplane to go up to Oakland. I didn't know exactly why I was going up there. I was just in a suit; I went up there in a suit.

Met with him, and Lee Emerson. They said, "You know, we're just not getting the right answers from these guys. They're not keeping us apprised of what's going on. So we're going to change the manager." The manager at that time was Jerry Balsley, who had been the human resources guy for Kaiser Steel before they started this up, or vice president for industrial relations, I guess, was his title. But he talked them into letting him go up there and start up the operation.

Anyhow, they asked me if I would go up, and I said yes. We sort of talked a little bit on what basis I would go up there.

Vice President of Operations, to Straighten Out the Mess

Swent: What was the basis you went on?

Conger: As a general manager, vice president and general manager of Kaiser Resources, not Kaiser Steel, but Kaiser Resources. As you know, there is a difference between being an officer of a sub [subsidiary], especially when it's a wholly-owned sub, and the company. I sort of would have liked to have been vice president of the company, but I wasn't going to pass up the chance to go do that.

At any rate, I said, "Yes, I'll do that."

They said, "Okay, well, the plane is waiting to take you up there."

I said, "Well, I just really didn't bring anything."

They said, "Well, we'll get some stuff up to you. Let's do it today."

So I got back on the plane, and we flew up there. I got up there about five o'clock in the afternoon, and called the manager in. He had already been told by Carlson that I was coming up to take his place.

We went in his office, and I said, "Where are the keys?" He told me where everything was, and his organizational chart of all the people he has, and goodbye. And he left. So we started out from there.

Swent: Carlson, Jack Carlson, was president of Kaiser Steel?

Conger: Yes, and chief executive.

Swent: And Lee Emerson--?

Conger: Was executive vice president.

Swent: And you were now vice president and general manager of--

Conger: Actually, I think I went up there as vice president of operations, I guess it was. That was it, vice president of operations. And there was an officer at Kaiser Steel in Oakland who was in charge of Eagle Mountain, and the coal mines that Kaiser had in New Mexico and Utah, Bob Heers. He was in charge of the U.S. mines, but he was the visionary who really saw this coal opportunity up in Canada, and really got Carlson and everybody excited about buying that coal property up there and selling coal to the Japanese, because we were selling iron ore to them, so this was sort of a natural extension of that. These are very rich coal measures, but they were in a difficult situation. It was a tough mining situation, and it was a long ways from the seaboard. A lot of things against it, but they were beautiful coal measures, the coal reserves.

Anyhow, Bob Heers was very critical of the guy they sent up there, Jerry Balsley, the industrial relations guy, to run it. He thought that was a gross mistake. Bob didn't want to go up and run it, but he thought that was a gross mistake, to send Balsley up there. And as it turns out, it was a mistake. He was not the guy to do that.

When I went up, then, Bob Heers was back in Oakland, who is an engineer by training and who manages all mines here. I worked for him when I was at Eagle Mountain as manager, I worked for Bob, knew him very well. He became my helper up there. It was sort of half help and half not help, because Bob was always thinking ahead. He was really a lot faster than Carlson, and he was always about two steps ahead of him on thinking of the next thing to do. Jack really could never quite keep up with Bob. Nobody could keep up with Bob; he was always out in the future somewhere. Like with those 200-ton trucks and twenty-five-yard shovels--that was all his idea, because we had a lot of stripping to do, and what better way to do it than with the biggest equipment? He was a promoter of all the big equipment at Eagle Mountain anyhow.

Anyhow, Bob was my advisor up there. He'd come up and we'd spend a week or two together just going around. He wasn't an operator; he didn't have operating experience, so he needed to have me explain why this wasn't working, why we needed to do that there. But he thought, Now, well, this is an opportunity to, as we fix the things that are here, to even get some more. We'll expand this operation some while we're at it.

Well, after a couple of months of this, I could see that Bob wasn't going to help us really get this thing going very fast, because we were going to do a lot of arguing over how to fix this thing, because Bob had in mind expanding it and doing more than just fixing it, and that isn't really what the company needed. The company needed to get that operation going.

Problems with the Processing Plant

Conger: And of course, we had Kaiser Engineers as the people to help us, because we had a problem with the plant. The plant was not designed properly either.

Swent: It was not just a question of getting out more coal?

Conger: No, or better coal, better quality. It was the plant wasn't functioning properly either.

Swent: So you had the mining problems--

Conger: And a processing problem. The plant couldn't process the tonnage that it was rated to process, which is not an unusual problem in plants. But it was a terrible problem with that kind.

There was a great debate on how to get the plant to do that, and Heers wanted to do it one way, which would have increased the capacity of the plant, but at great expense. Kaiser Engineers had another way to do it that would have done it very easily. Bob was lobbying me to really hold out for the bigger plant option.

Finally I said, "Bob, I can't do that. This is the wrong battlefield to be on. This company is really in trouble. We really need to get this thing fixed and going, and Kaiser Engineers has the better solution to do that."

He came back down here then and tried to politic Emerson and Carlson on it without me. Without me, they decided to remove Bob from all of this. So he was no longer my helper up there.

We did go ahead and modify the plant, and we quickly redesigned the mine plan and got stripping going. The mine had been planned to take advantage of this tax holiday, and they had stripped in the wrong places. So redesigned all the plant equipment, got stripping going where it should have started in the first place, and by the time the plant was repaired, we had enough stripping done to start shipping spec. coal.

Eight Trips to Japan to Explain the Situation

Conger: Of course, after we had decided to do all of these things, then started the trips to Japan to explain to the Japanese what we were doing, and getting them to agree to keep the contracts in place and stay with us. In the meantime, we would ship them oxidized coal, which had been stripped, but was not metallurgical coal, but could be used for steam power generation. That was the first of eight trips over to Japan to explain what we were going to do. In the Japanese fashion, you've got--we'd have twenty or twenty-five Japanese engineers, metallurgists, mining people, in a room, and I would be taking them through all of this stuff.

Swent: Were you the only--

Conger: Yes. I would take them through why we were going to do this and how that's going to work. They're meticulous. They want to know every detail, every detail. But in the end, they all agreed that yes, that was the thing to do. In twelve months, we got it all done--

Swent: Can you just tell me who the Japanese were?

Conger: It was each of the steel mills, and I can't tell you--Kobe, of course, was one of the steel mills, and who the other steel mills were, I don't recall now. There's, I think, six steel mills. All of the contracts we had were with Mitsubishi, the trading company, who then had agreements with each of the steel mills. They were our agent over there. But I am sorry, I don't remember.

Swent: That's fine. Just for the record, who you were dealing with.

Conger: So all the plans were then made quickly, and then we initiated the execution of the plans.

Personnel Changes; Hiring More Canadians

Swent: Did you have to do personnel changes as well? You mentioned a couple.

Conger: Oh, yes. Yes. Within a few months after I got there, I changed out virtually all of the senior group that Balsley had in place.

Swent: Why was this necessary?

Conger: Well, I knew a couple of them, and I didn't think much of them.

Swent: In what sense?

Conger: Just their capability, number one, but the type of people they were, number two. I just didn't think that was going to get the job done.

There was a terrible problem at that time in Canada towards Americans. They were going through a period of real nationalistic feelings, and they felt that the Americans were coming up there, exploiting their resources, and they didn't get to participate in that, in management jobs and so forth. So they were really anti-American at that time.

This group that had gone up for the company was one of the reasons why they were anti-American, because they were quite brash. They said that the Canadians didn't know how to do any of this stuff, and they were going to show them how to really make all of this work. And of course, when it wasn't working, the Canadians up there were just delighted. The newspapers were full of it, saying, "I told you so. You aren't as smart as you guys think you are."

That senior group, Balsley and his top lieutenants, were really all sort of tainted with that brush. We had to set a whole new tone for the company, and start off by admitting, "Yes, we sure didn't know how to do it. We're going to need your help, Canadians, to get it done." I hired quite a few Canadians to be the new management group. We got it going. We got it done.

Lots of trips back and forth to Japan during this period of time, this year's period. I think we had it all turned around in one year. They came over to the mine often. Every other month or so, there would be a contingent of them come over to look at the mine. So we had to take them around, and God, wouldn't you know, on one of the trips when things really started to shape up, the senior guy for the steel industry over there--because they all sort of work in concert. They're not like we are over here; there's no antitrust problem.

A Disastrous Visit by the Japanese Coal Expert

Conger: Their senior coal guy for the steel mills came over for a tour. The Mitsubishi people told me, "Now, this is the most important tour you're going to have, because this guy, whatever he says, everybody really pays attention to that. So you've got to give him a good tour."

It was right in the middle of winter, and there's a snow belt there. Twenty feet of snow is the snowfall there. Anyhow, here we are with this great contingent of Japanese headed by their coal expert, and we're driving up to the mine. So the coal expert, who spoke English, could really be with the technical people, I had a plant manager, which is what was being reconstructed at that time, take the coal expert with him in his pickup as we drove up to the plant, so they could visit.

I'll be God-damned if the plant manager didn't stop, and a car behind him hit him right in the back, and snapped the neck of the coal expert. And my God, we had the ambulance out there, took the guy to the hospital, and he was in traction. I mean, not a worse thing could have happened. Just a terrible time. That was sort of typical of the things that were going on with that project. If it wasn't for bad luck, we wouldn't have had any luck. Just terrible.

Anyhow, that guy finally got all right, and we got him sent home.

Swent: He didn't hold it against you?

Conger: No, I don't think so, [laughs] because I did see him later in Japan. Apparently not. He seems to have overcome that.

Swent: Oh, my. That must have been a very low point.

Conger: Oh, and when Carlson heard that, he said, "Jeez, what are you guys doing up there? Can't you do anything right?" Anyhow, we got over that.

But it was funny: the first four days I was up there, they sent me up without any clothes or anything, and they were going to send some clothes up, have Phyllis put some stuff on the plane and send it up. The first four days, the plant ran beautifully well. It almost was up to rated production. Carlson was on the phone after four days saying, "Conger, you're a genius. How in the hell did you do that?"

I said, "Hold it, wait a minute. I had nothing to do with that. This is a fluke. It's not dependable. The plant can't do that on a continuing basis." But he thought I had done something to make it work. I said, "No way."

Anyhow, during the year it took to redesign and construct the modifications, we shipped oxidized coal to Japan.

##

Swent: And the Japanese had agreed to wait for their metallurgical coal?

Conger: Yes, they waited. We started up the new modified plant over the Christmas holidays and got to full production within a week--everything was going great!

More Bad Luck: A Fire in the Washing Plant

Conger: God, at two o'clock one Sunday morning in late January, I got a phone call, at 2:00 a.m. The plant was on fire.

Swent: Oh, no.

Conger: Yes. Plant was on fire. The wash plant cleans the coal. Now you've got wet, clean coal, so since we were shipping it so far, you had to get the water back out of it, so we had a dryer, which is not uncommon in coal processing. Steam dryer. So I'll be damned if a valve that puts water into a tray with perforations in it that the escaping gases go through, to keep the dust from flying out of the stack, the water didn't come on to fill this tray. So there's all this heat coming up with the coal dust in it, caught on fire. The building had a tar roof. The tar roof caught on fire of this dryer and burned its way back over to the conveyor belt that comes from the plant, a covered conveyor way, and this hot tar from the roof dripped down on the conveyor belt that caught on fire and went back into the plant.

Ah, Jesus. So anyhow, got the fire out, got all the Kaiser Engineers people back up there. They had just been home for six weeks or so after finishing remodeling the plant. Fortunately, we had all the drawings of the steel structure we needed and the conveyor belts and all that stuff. In twenty-one days, we had the plant back going again. But it was just so fortunate that everything was so fresh that we were able really to backtrack that and get it going.

Anyhow, got it going, and so then, that was the end of all the adversity. Except for me personally, and then the new management team came up a few months after that.

A Major Mistake with Stock Gifts to Officers

Conger: That came about as a real fluke. The company, Kaiser Resources, the new company up there, was a public company up in Canada from the start. When they set up the company, they gave shares of the new company to Jack Ashby, who was then chairman of the company, and Gene Trefethen, Edgar Kaiser, Sr., and Jack Carlson. I can't remember if Lee Emerson got any or not. But anyhow, they gave shares of the new company out to people, which is not uncommon.

And boy, when the thing went out on the market, boy, the stock went up, and God, these shares were worth a zillion bucks. So a lot of the guys, like Ashby, who was chairman, sold his shares to reap the profit from it. That was all before I ever got up there.

But while I was up there, and after we got everything going, we come to find out that the prospectus that they put out for selling these shares two or three years before said that no shares would go to any members of the Kaiser companies. And here they'd given out all these shares, and nobody noticed that. Nobody noticed that it was in the prospectus, and they went ahead and gave out these shares. It wasn't intentional to subvert the law, but it happened.

So when that came out, and by this time, everything was up and running, and everything was looking rosy, Lee had talked to me about staying up there as president of the company, and I'll be God-damned if this didn't come out, that the company had feathered its own nest, the management of the company had feathered its own nest and didn't tell the public about it.

Well, Edgar Kaiser, Sr., was just beside himself, mortified that he had done something illegal. And of course, he was looking for the people that did all this, his people. How they could do this! So a lot of people got fired over that. Edgar Kaiser, Sr., who by this time was seventy or sixty-five--probably seventy--said, "We're going to change the management up there and get this all straightened out."

Well, I had had nothing to do with any of that. I didn't get any stock. It had all happened before I ever got there. But anyhow, they sent Steve Girard up, who had done a lot of things with Edgar Kaiser, Sr., for him. He was sort of his man Friday. Sent him up, but with the understanding that Edgar's son, Edgar Kaiser, Jr., the son, would come up as his understudy for a few months and then take over as president of the company. So that's really the event that precipitated that, was that stock, failure to correctly disclose that management of Kaiser Steel would have stock in the company. It said they wouldn't.

That was unfortunate.

Swent: So the offer to make you president was sort of backpedaled, then?

Conger: Gone. It was gone. That was the end of that.

Swent: It hadn't been really confirmed?

Conger: Oh, no. And Lee Emerson just said that he would certainly promote that idea in Oakland.

Swent: You had an expectation of it--

Conger: Yes. He thought that would be a good idea, because he didn't want to come up there. He was happy down here.

Swent: So then it was Edgar Kaiser, Jr., instead of you?

Conger: Well, that was the plan. Steve Girard went up as president, but only for an interim period, and then Junior would take it over.

Decision to Leave Kaiser

Swent: But you could see that this was the handwriting on the wall for you?

Conger: Yes. And I was working for Junior, and I didn't like that. I didn't care for working for him. So I decided to go do something else. And I had decided I would only be up there for three years, so that wasn't that much different from what I had planned. I expected to go back with Kaiser, but there was no way I could do that.

Swent: But you did turn it around.

Conger: Oh, it got going. Everything got going. And you know, as things worked out, probably for the best, because once we got it going, and all of the changes we had to make, the price that the contracts called to be paid for the coal were too low. There would be no profit in it. So that had to be renegotiated. Now that we were performing, the next step was to get the contract prices renegotiated. By this time, the Australian coal prices had gone up too, and coal was really in demand. There was a great demand for it. The steel industry was doing great.

Edgar Kaiser and Steve Girard, both of whom were tied in with family, were the negotiators for that price, and they were the right people to do it. I wouldn't have--I was a technical guy, I was the operator. I wouldn't have had near the influence on convincing them to do that as those people would.

Swent: Convincing--

Conger: The Japanese to raise the price.

Swent: Although you'd been successful with the earlier negotiations.

Conger: Yes. Well, but that was all technical stuff, how to make the mine run and perform, not the business side of what the tradeoffs are on getting you to open up the contract, and we'll pay you more. As it turned out, the Japanese got a big piece of the company, so that they would do that. They became owners too, so they had a vested interest in raising the price, because now they owned part of the company. So that was the tradeoff.

But those were the people that would have done better at that than I would have. I'm sure I could have done it, but I say that they could have done it better. They just had more influence than I would have, because they had all the Kaiser companies behind them. Edgar, Sr., was chairman of Kaiser Industries that ran all of the Kaiser companies.

Swent: So he could decide what to give away.

Conger: Absolutely. And just had a lot more clout.

Swent: Right. You hadn't mentioned the Australian competition, but that was probably a factor to reckon with.

Conger: That was so keen. Utah, our neighbors right down the street, were early in over there. Those Queensland coal measures were just ideal. It was surface stripping on very flat ground, perhaps no more than fifty or sixty feet of overburden, over fifty or sixty feet of coal. It was just an ideal situation, and they were good operators, so that made them even more competitive. They were, I think, no more than 200 miles from the coast, if that far, on very flat ground so that the unit trains going to the coast were quite good. And if they had to wash the coal, I can't remember, or whether they were just able to ship it as they mined it. I don't recall it.[1]

But the Japanese reminded us all the time of how good they were, and we just said, "Yes, they sure are."

Hydraulic Mining with Japanese Miners

Swent: Were there environmental and political concerns in B.C., also?

Conger: Yes. One of the things, just as an aside to that, but one of the things we did, too, there was develop a hydraulic mine. This idea comes from the fact that some of the coal seams were quite steep, dipping quite steeply, and could not be mined from surface, because the overburden ratio got so heavy so fast. And it was difficult to mine conventional underground coal mining, which is room and pillar, because they were steep, they were not flat, like most underground coal mines are.

But what that does lend itself to is hydraulic mining. Hydraulic mining is taking high-pressure water and shooting it against the coal face, and just knocking the coal off the face and just sluicing it right out of the mine. From inception of that project was a component of hydraulically-mined coal in some of these very steep coal seams.

---

[1] For more on Utah International and Queensland coal, see Alexander Wilson, interview in process, 1998.

We formed a partnership with Mitsui Mining, another Japanese mining company, independently of the surface coal mining activities that the plant was built for and everything. They were hydraulically mining in Sunagawa in Japan, on the northern island of Japan. They had a coal mine where they were hydraulically mining. We all went over and looked at that mining, and God, it would scare you. The coal seam was so narrow, and they used chicken wire to sort of prop things up while they were getting set up to start retreating and sluicing the coal out. You had to be a small Japanese person to be comfortable in there, it was so cramped.

But anyhow, we hired, the venture hired, a whole crew of Japanese hydraulic miners, brought them over to Canada, built them a camp right there at the mine site with their own kitchens and their own cook, so that they had all their own Japanese food, which we all went and had lunch there every time we could, because it was such good food. We set up a hydraulic mine. And because of the thickness, fifty foot of coal seam, it was tremendously successful and tremendously cheap. So that worked very well, and it was the only place in Canada, only place in North America, that was mined hydraulically, and it worked great. That augmented the coal that we produced in the open pits. Very successful.

Swent: And you had plenty of water.

Conger: Plenty of water. All we needed was a pump to pressurize it.

Swent: And no problem with discharge.

Conger: No, that's what made me think about it. Yes, because of all the water, we obviously couldn't discharge that without clarifying it, because other than coal, there was nothing in it. We had to clarify the water before we could discharge it into the streams there.

Cleaning Up the Water: Increasingly Stringent Regulations

Conger: We had a smaller problem. We used to make coke there. For years and years, they made coke, coking coal, coke, for the smelters around there, copper smelters and so forth. So that had been a business they had been doing there for 100 years. We continued to operate those coke ovens, which were small little beehive ovens like in Utah, if you've ever been out around Price, just to keep servicing these smelters, because they had no other source of coke.

That generates some bad stuff. Not only the gases that go off, but the tars and so forth that are driven off the coal when you coke it. So that effluent is a problem. We did have to really clean up what the company had been doing before, to solve that problem, because that stuff was going into the streams and it was bad.

Swent: Who made you clean it up?

Conger: The B.C. government, the environmental--

Swent: By then they were--

Conger: Oh, yes. They were getting very keen. This is 1971 by now, so yes, they were getting right on to that stuff.

Really, a more difficult problem for us was the sediment that would get washed out of our waste dumps and into the streams. We had to do a lot of work to build catchment dams downstream of the dumps so that the sediment would settle out of the water and reduce the turbidity of the water before we discharged it--it was just runoff water, from snow and rain, but it would pick up the dump fines and sluice them on out. So we had to build these catchment basins all around.

Swent: Were these monitored by the government?

Conger: Oh, yes.

Swent: You had to get permits and all that?

Conger: Yes, all that stuff.

Swent: But this was the first time I guess you'd run into--

Conger: Yes.

Swent: Permits must have been gotten before you got there.

Conger: Yes, and it was a continual process. They were being amended, and the regs were being strengthened and so forth. So that was a continuing thing. Permits didn't last unaltered for very long.

Swent: So that was a busy two years.

Conger: Yes. Actually, it was about two and a half years. Came back right around '73. I went up in July of '70, so about two and a half years it was.

V CONSOLIDATION COAL COMPANY, 1973-1975

Vice President and General Manager of a Division

Swent: And you had to hunt then for something else.

Conger: Well, I had something before I left. Again, this was a property where a lot of people wanted to come see the new equipment and so forth, so we had a lot of folks through there. One of the people that came through there was a guy that offered me a job, so I took him up on that when these other circumstances happened. His name was Ralph Bailey, and he was vice president of Consolidation Coal Company out of Pittsburgh.

When this situation in Canada became unfavorable as far as I was concerned, I called him. As a matter of fact, I think I sent him a note and said, "If you're going to be at the AMC [American Mining Congress] meeting in San Francisco in September, maybe we could have lunch."

He said, "Yes, I'd like to do that." So we had lunch right up here in the Fairmont [Hotel].

He said, "Have you thought about coming to work for us?"

I said, "Yes, I have." So we put that together then.

He didn't have a job for me then, but he said, "I will have one shortly." We settled on what I had come there for. He put me in Ohio first, at the division there, until this other thing opened up in Illinois a few months later, six months later.

Swent: And that was at the--

Conger: Pinkneyville is where the office was. We lived in Carbondale, but our office was in Pinkneyville. It was a division of six surface mines and one underground mine.

Swent: So it was seven mines, then?

Conger: Yes, the division.

Swent: And you were--?

Conger: I was the vice president and general manager of the division of the company.

Swent: Was this a job created for you?

Conger: No, it was a job that was vacated then, so they needed to fill the job. He knew he was going to be filling that job, so it was just a matter of timing.

Swent: Was it similar responsibilities to what you had had?

Conger: Yes. Quite comparable. We were producing about, oh, must have been about 7 million tons of coal a year out of the Balmer mines. But shipping, had all the shipping responsibilities too. And at the Illinois operations, I guess we must have been producing about 20 million tons of coal out of that group of mines. And the number of people were more in Illinois, because there were more mines than up there [in B.C.], but it was relatively comparable, I guess.

Swent: Were you coming into a stable management picture, or did you have to make a lot of changes?

Conger: No, did not make a lot of changes. The crew was pretty well put together when I got there, so I didn't make a lot of changes. I was really not a coal miner, even though I had been at that project up there in Canada. I learned a hell of a lot about coal mining, but I didn't pass myself off as being a coal miner. But the people they had there were capable people. One guy had left; he thought he should have been promoted to manager when they moved the other guy out. He had been running the underground mine; that was his forte, underground mining, so he left. We brought another guy in as--but from the company, from another division--to run the underground coal mine. But that was pretty much intact, that group.

A Planned Management Reorganization

Conger: I was with them I guess two years, '73 to '75, a little over two years. Things were going well. The division was performing well, and Ralph Bailey by now had become president of Consolidation Coal Company, which was a wholly-owned subsidiary of Conoco, the oil company. So he had just become president of the coal company.

He called me back to Pittsburgh, where the head offices were, in the spring of '75 and said that he was thinking of reorganizing the company. We had I think seven or eight of these divisions, and I was running one of them, he was going to shrink it down into three regions. He wanted me to take one of the regions and move to Indianapolis, which would sort of be the hub of that--Illinois, Indiana, and Kentucky, all those coal mines.

Job Offer from Homestake

Conger: But it was at that same time that I was contacted by a headhunter about this job here in San Francisco. Paul [Henshaw] had had a management consulting group come in and look at Homestake, and what we were going to do with all of the money we were starting to make from the lead-zinc operations and the uranium operations. We were making some money, and the gold price looked like it was finally going to start to move again. So what was the company going to do with all this money it was going to start making?

I think Berne Schepman was one of the guys who was pushing Paul to start planning for that, and are you structured to do some stuff. So the consultants came in and came up with the idea that you ought to form these different business units, one for gold and one for base metals, which was lead and zinc at that time, and one for uranium.

Turns out that they didn't think they had people to fill all these jobs, so that's when they hired a headhunter to find somebody for the base metals division. That was uncovered. Don Delicate was going to run the gold division. Dick Stoehr was going to run the uranium division. They needed somebody to run the base metals division, so that's what I was approached for.

Again, at another AMC meeting somewhere where the headhunter came up to me and wondered if I would be interested in joining a company on the West Coast.

I said, "Well, I'll tell you. I'm being very well treated where I am, and my future is very bright with that group. But I do miss the West Coast. Living back East is not my cup of tea. So anyhow, I'll talk. I'll see what's being considered."

I came out and met Paul, had a good meeting. He read me the description of what it was he was looking for, and I said, "Boy, that ain't me. If you find that guy, grab him, because he is something. Really something." We had a laugh at that, and I left, figuring that would be the end of that. Because they were looking for a business guy that had all this different kind of experience, and I hadn't had half of that experience.

So I forgot about that. I was just about ready to go ahead with this other move when they called me back. I came back out again. Paul made me the offer, so I took that. I came in as the vice president of this new business unit.

VI HOMESTAKE MINING COMPANY, 1975-1978

Vice President of the Base Metals Unit

Conger: Things changed quite quickly here just about that time.

Swent: This was in 1975.

Conger: I joined in November of '75, so this was really '76. In '76, things really changed quite a bit here. First of all, Dick [Stoehr] really felt that he didn't want to run the uranium division, he didn't want to do that. Paul [Henshaw] said, "Who can we have run it?"

He said, "Well, Conger can probably run that for you, along with the other." Because there wasn't a whole lot going on with--we weren't doing anything anyhow. We had that exploration thing going on up in Michigan, but I wanted to shut that down. We were going nowhere with that. That was just a waste of money.

So Paul did ask me to do that, and I did. Then it was just a few months later that I became president and chief operating officer. Paul was still--he became chairman and chief executive officer. Then the following November, he was sixty-five, so I became chief executive officer, and he remained as chairman.

So that brings us up to Homestake.

Swent: They forgave you your lack of business experience, or did it turn out that you had more than you thought you had?

Conger: Well, I'll tell you. The only business experience Homestake had really was Dick. Dick's business experience was seat-of-the-pants, common-sense, negotiating--

Swent: Learned on the job--

Conger: Always been in the middle of everything kind of experience. None of this MBA stuff, none of the kinds of things that people think of as business. Nobody here had that, and I didn't have it, so I fit right in. As it turns out, I was no less or no more qualified than anybody else around the place. And that really hasn't changed much. I'm still not a businessman.

Swent: You were the first mining engineer that they had ever put in as president; there had been mining engineer vice presidents.

Conger: Oh, yes, Don Delicate and Dick Stoehr both, and both were directors of the company. Both people that helped me a lot. Dick still does; very close confidant. Don is sort of inactive now, but he was very helpful while he was active.

Swent: The former chief executives had all been geologists.

Conger: Geologists. All of the peas out of the same pod.

Swent: All the way back.

Conger: McLaughlin, for sure.

Swent: Before him was E. H. Clark, who I think was a relative of the Hearst family.

Conger: Yes, as was Don, almost a relative, a close connection.

Swent: And the others, Gustafson and Henshaw, had been students of Don's.

Conger: Students of Don's, yes. Harvard graduates.

Swent: And you came out of--

Conger: Nowhere. [laughter]

Swent: Different.

Conger: Totally different.

Swent: But much more practical in the sense that you had worked in mines.

Conger: Yes. I had been on the other side of the business, the management side of the business. For years and years, the company really was two companies. There was the Homestake Mine, which was what I would have, if I had been with the company early on, that's what I would have been doing. I wouldn't have been here, because I couldn't have added anything here. And there was here, Don [McLaughlin] and John [Gustafson] and Paul and Dick and Henry

Colen. So they just sort of did things here and added up whatever we made at the mine. Remember that?

Swent: Yes.

Conger: Yes. And down at Grants, it was a great contributor for a long time. You ran everything down there, and they were up here doing whatever they were doing.

Swent: There wasn't a whole lot of connection.

Conger: No. It was just like they were separate companies. I really worked hard to try to make a closer connection between San Francisco and the mines--not to interfere with operations but to assist by providing them with resources they needed, because that's where the money is made. Running the mines well is where you make your money.

Swent: Did you do any homework before you took this job? Did you check into Homestake and find out what it was about?

Conger: Like everyone else, I had heard of Homestake.

[Interview 2: March 15, 1994]##

Swent: When we stopped talking the other day, you had just been interviewed, and you didn't think that the job sounded like you.

Conger: Well, the description didn't sound like me. The job sounded very interesting, but I didn't have nearly as many of the qualifications as the search firm and Paul [Henshaw] and Dick Hinkel had written up for the job.

But in any case, that interview led to a second interview several months later, at which time I was offered the job.

Swent: Was that interview out here also? They brought you out here?

Conger: Yes, I came out for a second time. I was happy to accept the offer, and went to work as a vice president for the company, and managing the base metals division that was newly created. Paul had had a consulting firm in to reorganize the company, to better use the resources that the company had started to generate in both the lead and zinc business, and in the uranium business. The gold business was just starting to perk up a little bit, but had really not been too much of a contributor.

The gold price had finally been released at this time, because when I joined the company it was November of '75--

Swent: And the price had been released in '72.

Conger: Well, U.S. citizens couldn't own gold until '75, so it was really at that point that the gold market started to move. So the company's fortunes were looking very good. The consulting group advised that the company needed to be reorganized to better manage all of these resources that the company would be generating, the profits and what to do with the profits and so forth.

So that resulted in the company being reorganized into divisions. One was the gold division, headed by Don Delicate. The second was the uranium division, headed by Dick Stoehr. The third one was to be the base metals division, headed by somebody. As it turns out, I became that somebody. The fourth division was the exploration division, so Paul looked for a new explorationist, and hired Jim Anderson as our chief explorationist at the same time he hired me. We started at the same time. So that was the new organization going forward.

So things continued on that basis through '76, everybody sort of getting organized and going. Late in '76 or early '77, Dick Stoehr asked that he be relieved of his responsibility in the uranium division, so Paul asked me to take that over too, which I did, along with the base metals group. Then within just a few months of that, must have been spring of '77, I became president and chief operating officer, and Paul was still chief executive.

President and Chief Operating Officer, 1977

Swent: You became president in 1977.

Conger: Yes, president and chief operating officer. Paul was still chief executive.

So then I was in charge of all the operations of the company at that point.

Swent: Please talk a little bit about what that involved.

Conger: Okay. The only two parts of the company that I wasn't responsible for at that point were the gold division, which when I became president I became responsible for, and the exploration, which I became responsible for. So I handled all of the operations of the company in that capacity. Unless you have some specific question about that--?

Stanford University "Charm School"

Swent: I was just wondering what changes this meant to you.

Conger: Well, that again was a period of consolidation. That period lasted just a few months, because in November of '78, Paul became sixty-five and I became chief executive officer. So I guess it was the summer of '78, I went down to Stanford "charm school," the eight-week executive program.

Swent: Charm school? [laughs]

Conger: Right, where they teach you all this business stuff, at the Graduate School of Business at Stanford. Spent eight weeks down there going through those classes that they have to sort of give everybody a business background and foundation kind of thing, marketing and all of the new ways to calculate financial returns and all that stuff. It was new to me; it wasn't new to them.

Swent: You sound a little deprecatory.

Conger: Well, in eight weeks time, you can't really pick up stuff in any depth. You just get a sense of what it is and what it can do, and what it means. But the real value is--and there is real value to it--is that you meet with a bunch of people that are like you, at about the same place in their careers, but in all different kinds of industries and businesses and activities, and from different countries. So that probably has as much value as the course content, as far as lasting value. So there is really some valid, basic value.

Swent: Were the contacts that you made there of importance?

Conger: Not that they last for any period of time, because I've only been in touch with a few of those people since, but just sort of to let you see where you are in the world, compared to all these other people, who are experiencing the same thing. They get to see where they are in the world, and that's important to people, to sort of understand, Yeah, I'm not that much different from other people. I guess I know about as much about our business as they know about theirs. That's a useful experience.

But at any rate, while I was there, I was now president of the company. It was very clear Paul was going to retire at sixty-five, and he wanted to, and he wanted me to become chief executive. So in just a few months, I was going to get to really take the company over. So I really thought a lot about what I wanted to do. One of the first things I wanted to do was have some consultants come in and look at the company, because I didn't think the company was organized correctly. Having this eight weeks away from the whole thing and sort of looking at it from the outside in, and what the company's assets were, what its possibilities were, I thought that we weren't set up right. But that would be a direct criticism of Paul and the board, and so I thought, Well, I'll do the same thing Paul did. I'll get some consultants to come in, and tell me, and then the board, what we should do.

So I did. I hired the Boston Consulting Group. Got a lot of criticism.

Another Consultant and Changing Strategy

Swent: What was the company that Paul had had before?

Conger: Frank Schwab. And Frank was a friend of mine. I knew Frank from years back. But I didn't hire Frank.

Swent: The whole point was to get someone different.

Conger: Yes. And I knew Frank, and I didn't have that much confidence in his judgment on how to set up a company, particularly this company, because this is such a unique company. There is no other company like it.

Swent: Why did you choose Boston?

Conger: They were one of the two groups that we interviewed, or I interviewed, and just the people that they were going to assign to it were impressive to me. The thing that impressed me was that they said, "Let us just look at a few things that you have and give you some thoughts of what we'd do with that." They did that, and the logic that they used in telling me what they saw and what they would do with those few instances was very good, it was very clear, and it was very straightforward and simple.

I got criticism from the likes of Dick Stoehr that these people don't know anything about the mining business, and they didn't. They didn't claim to. But what they did do was look at some of the things that we were doing and point out how some of those things weren't very logical, and they were right. They were not logical.

Swent: Can you be more specific?

Conger: Well, there was the Homestake Mine, for instance. They analyzed some of the operating parameters at the Homestake Mine and pointed out some things that we had never talked about here in San Francisco in the board room, and if Don and the guys knew it at the mine, they sure weren't communicating it to anyone else. About things that needed to be done at the mine.

Swent: What were they?

Conger: All of our ore reserves were down deep, and we were doing all of our mining up near the surface, because we couldn't get people to go down and work down where the high-grade ore was. So that led to all kinds of things, like refrigerating the air, and making the work situation down there such that we could get our best crews to go down there and work. They were such basic things, but nobody was focusing on that at that time.

So it was a couple of things like that that said, "You really aren't addressing some of the things that really are going to make you live, and are very key to you." It was a couple of examples like that that caused me to choose them to do that.

They spent about two months and looked at all the things we were doing, and looked back at what we had been doing. They also talked with some of the people outside of the company to see what the perception of the company was. They found some real conflicts in what we were doing and what we thought we were doing, and what the public thought we were. There were some great inconsistencies to that.

Swent: Can you be specific?

Conger: Yes. The public always thought of Homestake as a gold mining company. Yet for the last ten to fifteen years, we had spent no money on trying to find new gold reserves. We had spent tons of money for this company on looking for copper, getting into potash, and all other kinds of minerals and metals, none of which were gold. Yet the public saw us as a gold mining company. So that was a great inconsistency, and it was great benefit to the shareholders that the public thought that, because this company, as most gold companies do, enjoyed a very high premium of its share price over its earnings, much higher than manufacturing companies or other mining companies that are industrial or metals producers.

Swent: Simply because people thought of it as a gold company?

Conger: Yes. Even though we were getting most of our earnings in the early seventies and late sixties from uranium and from lead and zinc, not from gold. But we still got the gold multiple. So it was very valuable to the company.

At any rate, as a result of that review of what we had been doing, what we thought we were doing, and what the public thought we were, that review led to the decision that I took to the board, right at the meeting that I got elected as chief executive; I presented this plan to the board at that meeting.

Swent: You had already gotten the report from Boston?

Conger: Yes, and made all of the plan that I would like to implement. The plan was very simple, and that was: this is a gold mining company. We own one of the best gold mines in the world. The gold market is finally free of the impediments that the U.S. government put on gold. We ought to ensure that we are in fact a gold mining company, not just a pseudo-gold mining company, as we had been.

Exploration Program to Reaffirm a Premier Gold Mining Company

Conger: The cornerstone of that, to reaffirm that we are a gold mining company, and a premier gold mining company, because we had always been the largest U.S. gold mining company, because we owned the big mine, but to ensure that, we went to the board with an exploration program that would have us spend $60 million over the next five years--this was in November of '78--commit $12 million a year to exploration for new gold reserves.

The logic we used to indicate that we should have some success at that is that in the mid-sixties, the Carlin gold deposit was found in Nevada, which was a new type of gold mineralization and hadn't really been pursued much. First of all, at thirty-five dollars an ounce, not many people were interested in doing anything in gold. So even though that was discovered back in the mid-sixties, not too many people really cottoned on to that and said, "Hey, there's got to be more gold deposits like that."[1]

Swent: Hadn't Homestake had a chance at Carlin and passed it up?

Conger: We had been at every one of those things, had our footprints all over them and left them. Bootstrap and all of the others, and Dick Stoehr personally was on those, and Paul, everybody was--Homestake had their claims all over that and let them go.

---

[1] For more on discovery of Carlin deposit, see John S. Livermore, interview in process, 1998.

But at any rate, it was this Carlin idea that gave us the thought that, By God, people haven't been exploring thoroughly for that kind of gold deposit. So that's where we would direct our money. And the other thing that caused us to be attracted to that kind of gold deposit is that they're near the surface, can be mined open pit generally, and at low cost. The one thing that our work showed us, and it didn't take any brainy biscuit to figure that out, that the Homestake mine's costs were going to continue to go up and up and up, because of the mine's age and its depth and the heat, and the fact that the ore bodies kept getting smaller as we went deeper, which meant more dilution.

So the Homestake mine's costs were going to continue to be high, so we needed some near-surface, low-cost ounces to balance that. That was the game plan, and we took that to the board. They approved that plan, to reassert ourselves as a premier gold mining company and commit this money to exploration to find new low-cost reserves. So we took off on that. That was late '78.

Well, one of the first things Jim Anderson did, which was a smart idea, somehow he learned that in the basement of the main office building at Lead was a treasure trove of prior submittals to the company of gold properties from all over the world. Being one of the leading gold mines and mining companies for at that time 100 years, attracted people who had gold properties, and they would send in submittal letters, and "Would you come look at my claims," wherever they were. Dutifully, over the years, from the mine they'd send somebody out to look at it. They'd file a report, and the report went back in the file in the basement.

Jim sent two geologists back there to look for Carlin-type submittals. These guys riffled through all that stuff for a couple of months, and came up with five or six Carlin-type deposits that we had looked at in the old days, one of which was up at Colusa [California], which was near a hot springs, mercury hot springs, and near a nudist colony, of all things.

That led us to that area. We acquired the property--

A Sampling Mistake at Cherry Hill, California

Swent: Is that Cherry Hill?

Conger: That's Cherry Hill, exactly. We acquired that property. It took about six months to get a deal signed with the people that had the property. Anyhow, started drilling on it, and that taught me a lesson about gold mining and drilling and assaying. That took an old hand, Art Beynon, to straighten that out. The old-timers back in the twenties, our guys had come and sampled, and there were some old workings right around there, and had sampled a little reserve that ran about 15 hundredths of an ounce. But back in those days, that wasn't attractive to Homestake Mining Company that was mining a third of an ounce or better, so that just paled in insignificance, so it was never followed up on. But 15 hundredths of an ounce, by 1979 standards, was pretty good stuff.

So anyhow, we got a couple of drills in there, started drilling, and after about the third week of this or something, we got some assays back that just were over an ounce, multi-ounce assays. I can still remember walking into Paul Henshaw's office, and Jim Anderson had already told him about it. He just got up out of his chair, big grin on his face, shook my hand and said, "My God, it looks like we've found something."

I said, "Yeah, that's just amazing, that we could be so lucky!"

I think Jim had a diamond drill come in, just to drill some holes, because this first drilling was by a rotary drill, and rotary drilling is susceptible to these kind of erroneous results if not handled properly, and that was the case here. The diamond drilling showed that the mineralization was more like 15 hundredths of an ounce or even less. But because it was in a drainage where a little creek drainage was, there was a lot of ground water, so as we were flushing the cuttings out of the holes, we had to collect the cuttings in little tanks, which would overflow into another little tank and another little tank, so we took most of the solids out of the water. What we were doing is upgrading the cuttings--we were concentrating--it was a mill. We had built a mill.

It took Art Beynon to go up there, when he heard these results, he said, "Well, why don't I go up there?"

I said, "Yes, go up and take a look and see what in the hell they're doing."

He came back with that report. Well, that crushed us. But we thought it was a good lesson. Fortunately, it was internal. We didn't say anything externally about this, so we didn't have to eat crow with the public.

But in any case, Cherry Hill turned out not to develop to be much more in size than the original estimates of it were.

Somewhat larger, but not enough to make it a mine. The grade was certainly okay, but there just wasn't enough tonnage.

VIII THE MANHATTAN MINE DISCOVERY

Don Gustafson, Bill Wilder, Bill Casburn

Conger: Anyhow, Don Gustafson, who was working for Jim, one of his geologists, was assigned to that project, and so Don just started radiating out from there looking for other hot springs environments that had a mercury tracer on it that looked sort of like Cherry Hill. So with that pattern in mind, that template, he just started looking at the countryside around there, and that's what led him to stop in at the old Manhattan Mine, because he had heard that was a mercury mine, so he wanted to see if it was a hot springs environment, and sure enough it was. Typical hot springs sinter all over the mine area where they had worked. It was an old mercury mine.

Don talked to Bill Wilder, who was running a little mercury recovery plant. He was cooking batteries and getting the mercury out of the batteries; wasn't mining any more. The rock he was mining, he was selling for decorative stone. But anyhow, told Bill that he'd like to take some samples, see if they got any gold on his property. Bill said, "Sure, go ahead."

So Don did, and that first day that he chipped some samples out of some of the outcrop, assayed those, and couldn't get any--maybe a trace of gold, but nothing very much. After he got the assay results back, he thought, Gee, I thought they looked better than that. So we went back again and picked another area, and took a channel sample. That came back with about an ounce or something like that.

That was a discovery; that was a discovery. That had to be late '79, I guess, somewhere around there.

Swent: Spring of 1978 I think is the date.

Conger: That seems a little early to me. We might have started there. But in any case, my recollection is '79, but it could have been '78.

That was a discovery. Then we got a deal signed up with Bill, and moved a drill rig down.

Swent: Were you personally involved at that point? Were you talking to Bill yourself?

Conger: Oh, I probably had met him by that time, but no--Jim Anderson--

Swent: You were delegating all of this to Jim?

Conger: Yes. It was Jim's show, and the guy that negotiated all of that with Bill Wilder was Bill Casburn. He did all the negotiations with Bill Wilder. They became best friends.

Swent: They got along very well.

Conger: He'd take a quart of Jack Daniel's over in the afternoon, and they'd sit out in that mobile home of Bill's looking out across that junkyard that Bill Wilder was collecting. Anyhow, they'd sit there and sip Jack Daniel's all evening. So they became good friends.

We finally got the deal signed up with Bill and started drilling. And first damn drill hole was an ore hole. The second one, the third one, the fourth one. We were using Carlin, the mine, as sort of a template. They had a lot of blank holes at Carlin. They didn't hit ore hole after ore hole after ore hole. They would hit ore hole and then a waste hole. Our first five or six holes were all ore holes. I mean, good ore.

So we were just beside ourselves. Now this time, they were good assays, they were good samples. We weren't worried that we had high-graded the thing or concentrated it. That drilling went on for some time.

During this time, because the geologic signature was pretty long, several miles, Bill Wilder didn't control all that land. There was Kauffman and some other people that were adjacent landowners whom we had to deal with and get mineral rights from. Kauffman in particular was a very difficult party to get the mineral rights from. We had a hell of a time. Denny Goldstein spent hours with his lawyer and stuff, trying to get it.

Nervousness about Land Acquisition

Conger: That took a long time, and here we were drilling a lot of good ore holes. We had a discovery. So everybody was getting nervous, since we hadn't announced it, that word would leak out and it would sort of be like that old--what was that Texas Gulf thing years ago, where they sat on a discovery too long and some of the people started a run on the stock, and all of that stuff. So we were all getting nervous about that, but we didn't have Kauffman tied up, so we didn't want to--we wanted to have the land position before we announced it.

All the legal advice we got was that, no, that's a good business reason not to announce it, so you couldn't be second-guessed for not announcing it with a good business reason. So we did hold out.

Now, mind you--yes, I'm sure the discovery was '79, because the gold price was starting to move. It started to move in '78, but it was really moving in '79.

Swent: In '78, it was $192 per ounce; in '79, it was $306 and cents.

Conger: Yes, and '80, it got up to $800.

Swent: Eighty is when it went up. The average was $612.

Conger: Yes.

Swent: And you announced in your annual report for 1980, you had announced the discovery.

Conger: Yes. That's in '81; the annual report came out in '81 for '80.

Swent: Right, it was the annual report for '80, which announced the new world-class deposit.

Conger: We announced that in August of '80. That's why I'm pretty sure the discovery was '79, not '78.

##

Conger: So by the end of the 1970s, gold was again becoming exciting. In just a few years time, it rose to $850, in January, 1980.

Swent: From $35 an ounce for years.

Conger: From $35 an ounce for years. So that was a euphoric time for gold; of course our stock was doing very well. And here we were sitting on this discovery. That's why everybody was getting so nervous, including myself, that we hadn't announced this, yet we didn't have the land position.

We almost weekly talked about, "Do we have to announce this, or can we wait until we get the land?"

Swent: Who was "we?" Who was talking about it?

Conger: Jim Anderson, Bill Langston [counsel], Paul was still here as chairman, and of course, we had advised the board during board meetings, "We're not announcing this, it's just not the right thing to do as long as we don't have the land tied up," and so they went along with that. Everybody was nervous about it, but everybody went along with it.

Making the Announcement, 28 August 1980

Conger: We finally got Kauffman and the others signed up that summer. I can remember in August, I guess it was, gold prices trailed back off to maybe $600, from the $850. Then that summer it started to rise again. The day we announced that, it was some day in August, hot summer day, and we waited until the market closed. Gold price had started back up from $600; maybe it was $650 again by that time, or something.

We waited for the market to close, made the announcement. We made the announcement at three o'clock, when the market closed in New York.

Swent: How did you make it?

Conger: Like we do all our press releases, just standard press releases, only this was no standard release. But we announced that we had discovered a major gold deposit here in California.

A couple of TV stations came over that afternoon, and I gave an interview in the board room. Radio stations were calling, and the *Wall Street Journal* and everybody that afternoon. And would you believe--

Swent: This was August 28. "Homestake discovers gold in Napa County" was the headline.

Conger: Okay. And would you believe--so here we had all these news people over here, give them sort of a press conference to tell them about it, and I think Jim Anderson was with me and he was describing the geology of it. Would you believe that was the night or the afternoon that this bozo blew up the Harrah's Inn over in Reno with a bomb in the lobby? Fortunately, nobody waa hurt, or very few people. But that night on all the news, instead of our gold discovery, was this damn thing over in Reno, the bomb going off in the lobby of a casino. So it was a poor news day for us.

But in any case, the fun was the next day, when our stock couldn't open. You may know that on a stock market, there are traders, specialists that handle each of the stocks, that are assigned a stock on the New York Stock Exchange, several stocks, and these guys trade in them all the time. They make book. Their book has--on either side of the page, they've got people that want to buy and they've got people that want to sell. They have to keep matching their book; they want to match their book, because they don't want to be standing in for people that are buying and selling, so they wait until they get as many buy offers as sell offers, or vice versa. When you don't open, there's so much activity on one side of the page or the other that they can't open the stock for trading, because they can't balance the book until it gets to some price where people will supply the other side.

In this case, there were a lot of buy orders for the stock, and there wasn't anybody that wanted to sell.

Swent: Of course.

Conger: So for forty-five minutes, our stock couldn't open, because there were more buy orders than sell orders. When it opened, we were up ten dollars over what we had been. So that was a tremendous thing. Very exciting.

Swent: What was the stock selling at?

Conger: I can't remember. But typically, it would have been in those days maybe in the twenties or thirties. Probably was in the thirties because of the gold price being high from earlier in the year, it probably was in the thirties. So it maybe went from thirty-five to forty-five or something. But it jumped ten points before they could get enough people to sell to fill those buy orders. Anyway, that was fun.

So we had a discovery, and we had a mine to develop, which is just what we had set out to do a couple of years ago, right? What we needed to do was get a surface mine at low cost, to offset and complement Homestake mine. Everything just was fitting, too nice.

But I wasn't comfortable with our company organization, as it had been developed, with these business divisions that Schwab had put in. First of all, they were starting to cost a lot of money, because every division wanted to have their own controller and their own this and their own that, so everybody was building their own staff to do all that stuff, so that was costing us a lot of money.

Swent: Boston hadn't changed the organization?

Conger: No, I didn't ask them to do that. Just the business strategy of what this company was and what it should do. I didn't ask them to look at the organization.

At any rate, because we had this very exciting project ahead of us, I felt we weren't structured properly to manage that. And indeed, I wasn't happy with the structure for how we were managing other things, either. By this time, Don Delicate had retired, and Tom Connolly was running the gold division. Bailey Cozzens was running the uranium division, and I had Martin Koffel looking after the lead and zinc business back in Missouri.

Strengthening the Organization: Bill Humphrey, Jack Thompson

Conger: I didn't feel we had the strength in our organization to put this project on. I knew of three people in the mining industry, any one of whom I felt could put that on. I had a headhunter contact those three people, interview them, see if they would be interested. They were, and I knew all three of them, so I didn't really need to do a lot of interviewing. I just wanted somebody to approach them, because they were all working for somebody else.

I did pick one of those, who turned out to be Bill Humphrey, and I asked Bill to come join us. He was working for Newmont at the time. He was their operating guy. So Bill came with us, and I reorganized the company and made Bill and Jim Anderson both executive vice presidents, two most senior guys reporting to me. Everybody else reported either to them or to me.

But the main thrust of that was, for this project, to get people on board that could manage this project from start to finish. Subsequently, then, Bill brought in Jack Thompson, who had worked for Bill up at the uranium property of Newmont's up in Washington state.

Swent: The Dawn Mine.

Conger: Yes, Dawn Mining Company. So Jack joined us at that time. So that was really how we organized the project arm.

The Board of Directors

Swent: Would you like to say anything about the board?

Conger: Let's see. Well, the board--I've got to think who was--

Swent: In 1978--well, for several years, Jim Salisbury was still on the board. His interest went way back to the 1876 days of Homestake.

Conger: He had been on the board since 1949.

Swent: And he represented interests that had been with the Hearsts since the days of Deadwood, didn't he?

Conger: I think he represented his own family interests. His daddy or grand daddy used to haul freight by wagon up to Lead from the railhead down in Nebraska, and took company stock in those early days.

Swent: So he represented a founder, almost, of the company.

Conger: But it really wasn't that large a stock holding, as I found out later. I thought he must own a big piece of the company, but it wasn't so. I think over the years they had sold some of it. But at any rate, Jim was certainly one of the old-timers.

Swent: There were no Hearst representatives on the board at that time, were there?

Conger: No. I think--my reading of the history is that the Hearsts sold their interests in the twenties and really weren't represented beyond that. Don McLaughlin was there, and Paul of course, Berne Schepman, Doug Fuerstenau, Ted Marks--

Swent: Cliff Heimbucher.

Conger: Cliff Heimbucher.

Swent: John Kiely.

Conger: John Kiely, Howard Vesper.

Swent: No, Vesper was not in '78.

Conger: In the annual report?

Swent: Yes. He must have just gone off.

Conger: I recollect--because I asked both of them to step down. We had a seventy retirement rule, but never enforced it. So when I came in, I decided to start enforcing that. Victims of that were Howard [Vesper] and John [Kiely] and Jim Salisbury. Don McLaughlin was exempted for a couple of years. Oh, another one was John Gustafson, was a director then. Wasn't he?

Swent: The 1978 report did not list John Gustafson.

Conger: Okay. Because he was always at the board meetings.

Swent: The 1978 report listed Conger, Corbin, Delicate, Fuerstenau, Heimbucher, Henshaw, Kiely, Macgregor, Marks, McLaughlin, Salisbury, Schepman, and Stoehr.

Conger: Yes, okay. But see, that changed quite a bit in the next couple of years.

Swent: Yes, there were a lot of changes then.

Conger: That's '78. In '79, Delicate and Stoehr both stepped down.

Swent: Delicate was still listed in 1980.

Conger: Okay. Well, Stoehr stepped down.

Swent: Stoehr was gone. [pause] Humphrey came in in 1981.

Conger: Eighty-one, yes. And Jim Anderson was already a director then.

Swent: Yes.

Conger: Somewhere along in there--let's see. I can't remember replacing Stoehr. Did he go off in '79?

Swent: I just looked at '78 and '80 for the director lists. Stoehr was listed in '78, and in '80, he was not listed.

Conger: Read the '80 directors.

Swent: In 1980, the directors were Conger, Delicate, Fuerstenau, Heimbucher, Henshaw, Kiely, MacGregor, Marks, McLaughlin, Salisbury, and Schepman. So the board was smaller.

Conger: It was smaller. I didn't replace Stoehr.

Swent: Then the next year, McLaughlin was emeritus.

Conger: Oh, was that the next year?

Swent: Yes.

Conger: Okay. I asked Vesper--well, I put in the seventy rule, so that took care of Vesper and Kiely, and I don't think Jim Salisbury was quite seventy yet. He must have gone off in '81 or '82 or something, '83 or somewhere along there, whenever he became seventy. My recollection was that McLaughlin stayed on another year or so, and then I needed that seat for somebody that I wanted to put on the board, so I asked him to become emeritus. But I don't recall exactly what year that was.

At any rate, I asked Bob Reininger to come on the board, and he did.

Swent: He came in '81.

Conger: That was '81, okay. I had another one--

Swent: Peeler?

Conger: Is that the same time?

Swent: Peeler and Reininger and--

Conger: Okay, they came on at the same time.

Swent: --and Humphrey.

Conger: And Humphrey, yes, and Anderson.

Swent: All came in in '81.

Conger: Yes. So I needed those seats, so I guess that's when I asked Don to become emeritus, so I could bring them on.

Swent: Did he mind?

Conger: Nose slightly out of joint. Nobody had asked him to step down from such--

Swent: From anything ever.

Conger: From anything ever. [laughter] I hated to do it, but it needed to be done, and he took it in good grace. He and I stayed very close from then until he passed away. We continued to have lunches together and so forth, and he came into the office all the time. We had an office for him here. He came in all the time, come in around ten o'clock and go home about two or three in the afternoon. He would come in for lunches.

But he was writing his memoirs, and I kept going in and saying, "Don, what year are you on?"

He'd say, "1922."

I'd say, "Don, I know you're going to live a long time, but get going. Keep going on it."

He'd say, "Well, you know, I'm having to spend so much time writing memorials for my friends. It's taking all my time."

I said, "We really do need your memoirs. The world needs them." So I was always encouraging him to get those done.

Swent: Was the board supportive of your changes?

Conger: Yes. Some of the old-timers, particularly Jim Salisbury was critical, didn't think we were doing things quite the right way, or we were taking too much risk, too much of a chance. Jim was never a fan of mine, so he was probably the most critical one of the directors. I've been fortunate, but I've worked very hard at it; I've enjoyed the support of the board all these years. I have worked very hard never to surprise them, which I don't think I've ever done, and I've worked very hard never to embarrass them, which I don't think I've ever done. Made mistakes, but they were mistakes that they knew about too, and were part of the mistakes we've made. But at any rate, the board was supportive, even in those days with some new ideas, doing some new things. They were just very supportive; they were good.

High Noncash Charges Result in a High-Cost Mine

Swent: Finding a good mine is helpful.

Conger: That helped tremendously. We were so fortunate to have found that so quickly.

Then, getting back to the mine, which is the subject of all this, there is no free lunch. As we were developing these reserves and drilling, results kept coming back just very favorable. We discovered that this was a refractory gold ore, and by refractory we mean that you cannot recover the gold from the rock without pretreating it, because the gold is locked up, and cyanide cannot resolve it without some pretreatment, the pretreatment being oxidation. It needed to be oxidized.

In the old days, oxidation was easily accomplished by roasting material, and letting the sulfur dioxide just go up into the air, and the result is treated ore. We looked at roasting, but felt that the state of the technology for capturing SO_2 and other gases was not such that we could get it licensed here in California. So we went to the autoclaving choice.

Originally, it looked like we were going to have very low cost per ounce, because of the grade of the ore. It was near the surface, very low stripping ratio. Then when we found out that we were going to have to pretreat the ore, that increased the operating costs, obviously, but it also increased the capital costs tremendously. As we learned more and more about the ore deposit, the costs continued to increase, as we learned more and more.

We finally got the operating and capital costs pretty well in line, and then we had to start the permitting process. That was another layer of costs that we had to add on to the project, and of course, you don't know about these until you actually get into the negotiations with all of the agencies. We had some 200-plus permits to obtain to put the mine into production. Virtually every one of them added on a layer of costs one way or another.

By the time we got the mine completed, what was to have been a very low-cost mine, came down with its cash costs and its noncash costs, the amortization of the plant and the acquisition of the land and all that, the noncash portion, when you added those together, it was virtually the same cost as the Homestake Mine. Cash costs were very low, and they had been very low all the time, so we had over $100 an ounce to add back on to amortize the capital.

One of the things that generally happens to offset that higher noncash charge is that as you develop a mine, you find more ore than you originally thought that was. Happens in virtually every mine. Sometimes doubles. In the case of the Homestake, it's never had more than fifteen or twenty years of reserves for 115 years, but that's very exceptional. But it's not unusual for a mine to have at least half again as much ore as was originally thought.

That would have been very advantageous at McLaughlin if that had turned out to be true, because that would have taken those plus-hundred-dollar noncash charges, and if it was 50 percent more, it would have dropped it down to seventy-five dollars. If it was 100 percent more, it would have dropped it down to fifty dollars noncash. But we never found more reserves.

Swent: I thought the reserves did triple at some point?

Conger: No. Well, the ultimate reserve is 3 million ounces.

Swent: And at first you thought just 1 million.

Conger: No, that's what the project was based on. The original plan was based on 3 million ounces. Two million eight recovered, I think it was.

Swent: In the very beginning, they were saying 1 million.

Conger: Oh, yes, but that's as we were drilling. But once we went to the board with the project and asked the board to approve to go ahead and build the plant and everything, we had 3 million in the ground, and we thought we'd recover 2.8 million, or something like that. So we never were really successful in enlarging that any, so we were stuck with our plus-hundred dollars an ounce noncash charge. That was the way it was.

So while we got the cash costs down to--last year, they were just a little over $200, which is extraordinary for a mine of that grade, and having to autoclave to pretreat the ore, those are extraordinarily good costs. But when you have to add another $115 onto it for the noncash charges, that takes it right up to $300-plus, which is what the Homestake mine is.

So that mine, by the time we got all the permits and everything, and all the capital into it, became a $400 gold mine. In other words, we needed a $400 gold price to get a return on our investment at a profit. That went into production in '85. So from '85, with the exception of about five months, we never saw $400 gold, right up until--well, today, we still haven't seen $400 gold.

The mine turned out to be a tremendous technical success, but financially, we just a little more than get our money back, which meant economically, it was not a success. But we really needed $400 gold to make that a financial success.

Swent: I don't like to quote you--I'm not trying to put you into a box here--but in one of your reports, you said that for the previous ten years, that would be from '75 to '85, the average price had been $423, which was what you had calculated on in price, and you had expected that in the coming ten years, it would be at least that or higher.

Conger: When we took the project to the board, the gold price--that had to be about '81, when we first went to the board with that--the gold price had just come off $600. So we said, "For the feasibility study, let's use--" I think it was $450 or $475 or something like that.

Swent: And that's something you really just had to do by intuition, didn't you?

Conger: Yes. And we were dead wrong, just dead wrong, but that was the environment we were in at the time. At $450 or $475, that thing was a gold mine. We would have made all kinds of money. We weren't predicting that we could get the costs as low as we've gotten them in the feasibility study.

But in any case, the gold price by '82 had gone down to $285. It was going back to where it was ten years before. But here we were committed, the equipment was ordered, we were building the plant and everything. Everything was going. We were still optimistic that--it had been $800 just two years ago, certainly it would get up to $450. As I say, there were only a few months between then and now that it ever got up over $400. In the eighties, the gold price has really been very depressed.

We missed the mark on that, in reckoning that the gold price would be that high. But where we were able to get our costs structured to, instead of a $450 or $475 gold price, we've been able to get our money back at between $320 and $360 gold, so the people have really done a great job in getting those costs down.

Swent: I picked up another interesting thing that you might want to comment on. The Dames and Moore report way at the very beginning predicted a peak construction figure of--that is, the number of construction workers would be 440, and it was 1,200.

Conger: Seems like it had been more than that. More than 400, I would say.

Swent: Yes. The peak turned out actually to be 1,200, and they had predicted 440.

Conger: Yes.

Swent: So your construction employment, the number of workers in construction, was three times what--

Conger: I don't know where they got that number. Maybe theirs was the average for the entire project or something. But the peak had to be over 1,000.

Swent: This was what they were predicting.

Conger: Yes. So that peak period--

Swent: Twelve hundred.

Conger: Yes.

Swent: It was an immense project.

Conger: But it was immense. It wound up costing about $280 million to construct the facility, including the property acquisition.

Unexpected Cost of Dams

Swent: And you had not anticipated that much.

Conger: Initially, no. I'll tell you something that is sort of an example of why the costs were so much higher than the early estimates, and that is there was only surface water, there is no subterranean water up there. There is no reservoir, no aquifer in the ground at all for plant process water. So we had to build dams to collect surface water, like most of California does. The requirements that the State Division of Dams put on us were just extraordinary. We had four different dams. They were three and four times what a dam would have cost anywhere else. And it was because of the seismic threat to the dams' integrity.

##

Swent: You were just saying that the costs of the dams turned out to be extraordinarily high.

Conger: As an example, extraordinarily high. And then the things that they required in actually constructing the dams just seemed to be excessively onerous. Because all of us were engineers too, so we could look at what they were requiring and make some reasoned judgment as to whether it was really necessary or not. A lot of the things were not, but in order to get our permits, we had to comply with that. So there were those kinds of things that caused the capital to put the project on to exceed what our early estimates had been.

That was just a requirement we had to meet, get done. Of course, once we started, there was no turning back. So all of those things combined to cause the project to cost about $280 million. I don't recall what our earlier estimates were, but they had to be maybe as much as $100 million below that in the early days. I just don't recall; $180 sort of sticks in my mind.

IX THE McLAUGHLIN PROJECT, 1980-1994

Autoclaving Gold Ores: Developing a New Process

Conger: But all of the autoclaving equipment, the oxygenation portion of the plant, was new for the gold industry. This was the first one that had been constructed to oxidize gold ores, so nothing was off the shelf. We had to do the research and engineering design and so forth to get all of this done, because no one else had done it.

Swent: Something similar had been done in South Africa, hadn't there?

Conger: Well, but that was for uranium, not for gold ore. So ours was the first one for gold ore. So we had to go through all of that. We did go down to South Africa and look at their stuff. Autoclaving had been done by Sherritt Gordon up in Canada, Saskatchewan, for a long time. We went up there, we had them do some bench testing for us.

But as it turns out, the equipment that we needed, nobody had what we wound up getting. This is a technology that has been evolving for some time, and one of the toughest parts of the process is that the pulp is so corrosive, and the process is so corrosive, it's difficult to find metals and materials that aren't just eaten up in a few hours by this very corrosive material that is being processed.

So a big part of all of that visiting with the people up at Sherritt and people in South Africa was to find out what they had done, and what kind of materials they were using. It turns out that they were not satisfactory for us, because our process rock was different. So we had to go through all of that ourselves. That added a lot of cost.

Swent: Has it been successful?

Conger: Yes. When we started out, we were losing the critical parts where the pulp comes in contact with metal or brick or whatever the critical parts in the process were, we would lose them in a week or two and have to replace them, very costly and time-consuming. Because you have these vessels pressurized, so you have to decompress them and then cool them down, and then get in there and repair the part, and then heat it back up again and get it going again.

Now, we have got materials in there that last up to a year or fourteen months without having to replace anything. We've learned how to go in and repair all of those things in a three-day period, so that the efficiency of the autoclave process, the guys have gotten their availability up into the nineties, above 90 percent of the time. They have really done a good job of getting the materials in the right places in those autoclaves to really make them run for a long period of time before they have to be maintained.

Jack Thompson and the Community Relations Effort

Conger: Another aspect, just to get out of the technical part of all of that, a critical part of the successful permitting process and operation of the mine has been how Jack Thompson and Bill Humphrey, but primarily Jack, because he lived up there, with Bill's support and coming up when it was helpful to do so, to involve the communities around there in the project. It was an area with a very high unemployment rate, so there was that incentive for people to accept the mine coming in up there, but given the fact that it's in California in an area that a lot of people like to hunt, and just go up and hike and so forth, there was an opportunity for a lot of opposition to the project.

But from the very first day that Jack got there, he really started working with the communities up there, going to Rotary Club meetings and other town meetings with slides as it was progressing, right from the start, right from the drilling, because we got Jack there early on, so that he was part of the whole development. That was a key part to getting all of those permits done. He did an extraordinarily good job.

Swent: Whose idea was that? Was it his?

Conger: Oh, yes. We encouraged all of that, but that was his idea. The time he devoted to that was his. We didn't tell him, "Look, you've got to devote all your time to this. You've got to devote your time to the whole project." But he devoted a lot of time to that, and it really paid off. His manner was such that it was very effective.

And he had Ray Krauss, and he had a lot of good people, but again, he brought them in, and it was all part of his team.

Swent: You had sort of learned the hard way in Colorado, hadn't you?

Conger: Yes, we really did.

Swent: How not to do it.

Conger: Yes. We really did.

Swent: That had been kind of a bitter experience, with a community that was opposed to the mine.

Conger: You're thinking of the uranium mine at Pitch.

Swent: Yes.

Conger: Yes. We had two guys that were managing that, neither of whom had very good bedside manner, and were not really sensitive to what the public can do or what they think. So that's true. We didn't have a good experience there.

Swent: Well, maybe that helped here.

Conger: Well, Jack wasn't involved in any of that, so he didn't have the benefit of any of that. I did, because I was responsible for Pitch when we were starting to put that on. But that was a bad experience.

Swent: I thought perhaps that had made you more sensitive to what you would be facing here.

Conger: Well, you know, what you learn is that it's people that you work with that really make the job. You can give them some guidelines and give them authority to do stuff, but it's really the people that you pick. I must tell you in all honesty, I didn't pick Jack because he would be the best guy to do that, the community relations. We thought he'd be the best guy to do the project. It just so happens that this was one of Jack's long suits. We all have to have something we do a little better than something else that we do, and I would say in Jack's case, working with people is one of his long suits, whether it's people in the company or people outside of the company. He has a manner that really comes across well, he's a very sincere person, and people perceive that, and it's very effective. But I can't say that we looked for a guy that could do that well. That's not true. But it turned out to be just the right thing.

Ray Krauss and Reclamation Plans

Swent: What about the reclamation? You might talk a little bit about that.

Conger: Yes. That, of course, reclamation was in our thoughts from the beginning because of the very difficult permitting process we had to go through.

Swent: It was required, wasn't it?

Conger: Well, it was required, but it was only--reclamation is in the future. Most people think, Well, when this is all over, we'll reclaim it. That isn't the way we've worked that. We've been reclaiming that as we've gone along, and that is so smart from a lot of different perspectives, the public one not being the least important.

The idea was probably more focused at McLaughlin than other places because of the attention that we could have gotten had we not really been on the forefront of this. But I think the guy that caused a lot of that, you're going to be talking with Jack Thompson, so you can get much better insights on that from his perspective than mine. But I'm sure he would say a big reason for that is Ray Krauss, and what Ray's ideas and input were into the day-to-day management of the mine.

Swent: I was wondering how much influence you had had on all of this question.

Conger: I would think that I had influence on it. But I didn't direct things on a day-to-day basis. I'm sure we talked about it from time to time. But I didn't have direct influence on, "Okay, what reclamation have you done this month?" kind of thing.

But I would think that a strong factor in the fact that the McLaughlin mine has been so well attended to from an environmental reclamation standpoint would be Ray Krauss.

Swent: And I'm going to begin to interview him soon, also.

Getting back to the board again, I was wondering, did the board have any input on these things like the community involvement or the reclamation or any of those other issues? Were they interested at all in those kinds of things?

Conger: Oh, yes. And we gave them regular presentations on what was happening at each step of the way, so that they were continually apprised of all of the things that were going on.

Swent: Did they have any input in the decisions?

Conger: No, there were really never any decisions to make, that "should we spend this money on this or take a chance and not do that?"--reclamation kind of stuff--which is what I'd take to the board. If I was going to put the company at risk because of some economic decision, I would have taken that to the board and said, "This is what we're thinking of doing, and we recommend to do it, but do you want to do it?" We never made any tradeoffs like that, so we didn't have to bring them to the board to say, "Well, we're going to take a chance on this. Do you want us to or not?" So they never had to do that.

We'd bring them a report on what we had done. I think that the fact that we have never been cited or in any way penalized for what we've done, that the board heard what we had done, and said, "That sounds okay." For them to input it, like telling us, "Now, you guys got to do better," or "you guys ought to do this," I think we're probably pretty well doing everything that needed to be done, so they didn't need to input it. If that's what you mean.

They were responsible for our good behavior; yes. Because they kept us on the job. They could have gotten rid of all of us, so they were responsible for our good behavior. But to tell us what to do, or give us guidelines--. You know, this company, its integrity. This company never--the board never would do anything that was destructive or careless or insensitive.

So from the standpoint of the board being an active participant in all of this, yes, but not to the point that they were going up to the mine site on a continuing basis or something like that to see what we were doing. Just not that kind of involvement. Today, I think the world expects that boards are going to do that, but the world is wrong. You aren't going to get boards that are going to be so involved that if something goes wrong, it's their fault. It is their fault, but it's only because they didn't pick the right management to do it. You can't run something with three or four different groups telling you what to do.

So in that sense, they didn't tell us, "Look, we want this to be the most environmentally safe--" they didn't say that. But they really shouldn't have to say that. And as long as we were reporting what we were doing, and they were seeing that the results were good, no input. Acknowledgement, appreciation that that was all being done.

Swent: Did you get involved in these negotiations with the university for the ultimate reclamation?

Conger: No. For the land?

Swent: For the turning over to the university for research.

Conger: No. Denny Goldstein did most of that. Denny did most of that.

Swent: Who came up with the idea?

Conger: The original permit--I don't know if you're referring to that or the subsequent granting of the land to the university--but the original permit offered as a final use of that site as an experimental station for the University of California.

Swent: This was in the permit originally?

Conger: Yes. It was one of the recommended uses of the land afterwards, and we would contribute the land, the mine, to the university system after we completed the reclamation. Then subsequently, we granted this tract of land to the university system.

One of the unique features of that site is the serpentine belt that it sits adjacent to and sits on. That's a geologic characteristic of these front-range mountains, and it runs clear down to San Simeon, I think, from up around Redding clear down to San Simeon. So from a biology standpoint, biology--plants, flora--from a botany standpoint, and animals, fauna, it's an important study area. So that was part of the thing for the land grant, too, the thrust of the reason for it, why it would be useful for them.

And whose idea that was, I don't know. It might have been in the original permit, and it might have been Denny's, because he did so much work on that. I just don't know. Maybe Jack came up with the idea. I don't know.

Swent: Well, it's turned out to bring you lots of good publicity.

Conger: Yes.

Recollection of Donald McLaughlin

Swent: Would you like to say anything--you told me a funny story the other day about Don McLaughlin when Paul retired?

Conger: Oh, yes. Did I tell it on this?

Swent: No, you just--we were talking, but I'd like to have you repeat it.

Conger: Yes. This is part of the culture of Homestake, the company. The company has been so fortunate to have, up until recent times at least, so fortunate to have such exceptional people in its management group. The one really extraordinary story is that Don McLaughlin, who grew up in the Hearst household and was so close to that successful mining family, would become a professor of geology and run the geology department at Harvard for so many years, and two of his students, John Gustafson and then Paul Henshaw, wound up with Don back here in San Francisco, each taking their turn at running Homestake Mining Company.

Don had always at least tangentially been associated with the Homestake Mining Company, but the other two had not, and for all three of them to wind up and successively run the company is an extraordinary thing in and of itself. The second extraordinary thing is all three of them were geologists who customarily don't run companies, but the three of them did. And the third extraordinary thing is that they all lived long and productive lives, particularly Don and John.

Which is a long preamble to the story, but longevity is the thesis of the story. Don McLaughlin, who must have been in his late eighties when Paul Henshaw retired as chairman of the board, and Paul was about sixty-eight then--yes, so Don must have been eighty-eight or ninety by this time--so Paul had been chairman of the board, no longer CEO, at sixty-eight retired as chairman. Had kept an office here up until that time. Don McLaughlin, ninety years old, who was chairman emeritus and had been off the board for a number of years, still had an office here too and still came.

So, as was our custom when somebody was leaving, we'd have a little coffee and reception for him in the board room. Given that our staff isn't very big, we could just about get everybody in the board room for these little going-away parties, where we'd say a few words about our departing colleague.

So this particular one was Paul Henshaw's departing coffee. After we got everybody assembled, I spoke some words about my association with Paul, and how much I owed him for my being here, and how much I appreciated it. Then I said to Don McLaughlin, who was standing right there by my side, if he would like to say a few words. And Don McLaughlin is like a politician: if you get three people together, he wants to talk.

So he happily got up to the head of the table and started recounting things about his association with Paul and other things associated with himself. But he went on and talked quite a bit about Homestake, and the things that he and Paul had done together and so forth.

Paul was standing right beside him at the head of the table, and Paul is six-two, and Don was five-seven. Don looks up at Paul when he's through and he says, "Paul, we wish you well and we're sure going to miss you here at the office." [laughter] That was so true.

Swent: No implication that Don wouldn't still be there at the office.

Conger: He would be there forever. "We're sure going to miss you at the office."

Swent: That's good. You were the first person ever to run Homestake who had mining training.

Conger: I think so. Now, Clark--what was his background, do you know? Business guy?

Swent: I think he was a businessman. And so far as I know, hardly ever even visited the mine.

Conger: I don't have any record of that.

Swent: At least that's the legend, that he never left the office. I don't think he was a technical person.

Conger: Yes. I guess that's so. Don McLaughlin used to chide me about that, saying, "You're the only engineer that's ever run the company, but you haven't done too bad," or something like that, "for an engineer."

Swent: But you were quite a distinct breakthrough, this tradition of geology and Harvard--

Conger: Yes, totally. Didn't fit the mold at all. All of those people were scholars, as were the people around them. Your Lang was another guy, just a very, very intelligent person, first-rate engineer. But Lang had had operating experience, where none of the rest of them had. They had never been around a mine.

Swent: They'd been around them a little bit--

Conger: Well, but I mean from an operating standpoint. Never had any labor relations contact, that kind of thing. So yes, it was a real break from that tradition, and there's no way to get back into that tradition. That's so unique, that time in history, from Don taking over in '45 or '46, from then until '78.

Swent: Long time.

Conger: Yes, that was a long time. Worked through those three people. Extraordinary.

Unless you have some other angles on the mine, I don't think of anything. The local people right in the area were people that wanted to live out away from civilization. There was Bill Wilder who made a lot of money in the transaction and his association with Homestake, so that would jaundice anyone's impression of what we're like if you listen to Bill. Bill has been one of our biggest supporters, but since he got a lot of money, people would say, "Oh, of course he's your biggest supporter. Look at all the money you gave him." And we certainly--

Swent: He's a very happy man.

Conger: Yes. But I think, I really do think that a lot of his good will is sincere, irrespective of the money. I think he felt that Jack and the guys, and then Ron Parker when he came up there, have really done a lot for the community and for the people that work there, and it's been a real plus for everyone up there. I'm sure we've got other neighbors that don't think as highly of us.

Swent: I gather that the Capay Valley people never did become content.

Conger: Never did.

Swent: I'm hoping to interview one of them just to get their side of the story.

Conger: There's that college professor. I can't remember his name. I didn't think I'd ever forget it.

Swent: That seems to be--several people can't remember his name. I think they want to repress it.

Conger: Is that right?

Swent: Well, we'll get the name.

Conger: Yes. But he teaches at Davis. He was very vocal. And you know, they were so far away from the mine that theirs had to be an interest and a concern that wasn't about their own personal situation, but just societally, they were concerned about--

Swent: Philosophical stance, I think, probably.

Conger: Yes. And that just--the things that they were saying were going to happen--to them, and they're clear over that big ridge, and miles away--just--.

And that sort of points up a real problem that society faces today, in trying to remediate impacts on the environment. There are groups of people that use well-intended laws to purposes other than remediation. They use them for their own philosophical beliefs. To that extent, then the larger events are misused because people are trying to push their own social agenda by taking these laws and stopping things from happening, because they don't agree philosophically with what's happening. And of course, laws aren't intended to be used as philosophical measures.

##

Swent: It seems that there was this big push in '78 to find low-cost gold mines. You found McLaughlin, and then did you back off and not continue that exploration program?

Conger: That's interesting. No, when we found McLaughlin, we immediately went out and staked, or tried to corner, every hot springs occurrence in California, and we did. We did get quite a few of them, but none of them were gold-bearing. None. We must have had six or eight of them. We had companies years later that would say, "You know, we came out there to see if we couldn't find some of those things, and you guys had it all tied up." So before we really did get much exposure on that one, we went out and tied up a lot of the rest of them.

Had an arrangement with the Hearsts for their ranch down there at Hearst Castle. We went down there and explored all of that, but never could find another one that was gold-bearing.

Swent: You did work on another California project?

Conger: We did a lot of work over around Bodie, which is around Mono Lake. We were very active over there. I was never really satisfied that the reserve that we established there was going to be economic, so I wouldn't let the guys really pursue permitting it or anything.

So we were just sitting on that. Then after we got McLaughlin up and going and people started to make noises about not wanting any mining by that park that they had created for the town of Bodie, and the property that we had drilled was right next to it. It abutted. I thought, that's a battle that could affect McLaughlin. If people get mad at us for trying to develop that, they could somehow do something with us at McLaughlin, make it much more difficult to operate that. So we farmed that out to a Canadian company, who couldn't develop it either.

So we did do work in California, but certainly haven't spent a lot of money.

Swent: But the fact that the permitting and reclamation escalates your costs certainly must dampen the exploration, doesn't it?

Conger: That's true. Doesn't encourage it.

Now, since that time, a lot of the other states--Montana is a very difficult state to operate in. Nevada is getting much stricter on all of its regulations. So I would say that there really isn't a state now in the United States--which is okay--that doesn't have good environmental protection laws from resource recovery. I think they all do now.

Swent: So you have to build those costs in.

Conger: Yes. You have to build them in. It's just part of the cost of doing business. So we just take ore grades that are better than we used to have to to get the same results.

Swent: So, where do you go from here?

Conger: Well, a big challenge now, because we are again if not the largest gold miner in North America, one of the largest. Two or three of us have traded that every year, as to who produces the most output, but we're about the same, about a million eight, a million nine ounces a year.

Swent: Who is it, Newmont and--

Conger: Placer Dome. Barrick will be up there either this year or next year. So we're all sort of in the same boat size-wise. The challenge for all of us is to replace the reserves we're mining every year, and when you're mining up a million, nine hundred thousand ounces, and you've only got 17 or 18 million ounces total, you can see that you're going to run out. Our job is to continue to replace the reserves that we mine, and that's a real stiff challenge.

The world is mining up at the rate of about 65 million ounces a year worldwide. We're not finding 30 million ounces a year, worldwide, new discoveries. So in ten years, you're going to see the production rates drop off again, unless gold prices get very high again and stimulate a lot of exploration and development of lower-grade deposits that are higher cost. It's going to tail off. So our trick, since we are the gold mining company, these other guys are newcomers, our trick is to find our share of the new discoveries, either buy them, that somebody else has found them, or to find them ourselves. And that's tough.

The World Gold Council

Swent: And you've just returned from a meeting in Singapore.

Conger: Yes.

Swent: On this topic?

Conger: Well, the topic, that's the World Gold Council, of which we're a founding member. In fact, in our board room is where that organization was founded, back in late '85, early '86. Gold is unique in that in everybody's memory--nobody can remember when this wasn't the case--whenever a gold miner took his gold to market, he could sell it right then. It was always bought at some price. The price varied, but they would always take your gold.

Now, copper and lead and zinc and other things, sometimes nobody will buy it at any price. They don't need it. There's just too much of it. But that's never been the case with gold.

Well, after gold hit $850 in 1980 and everybody started announcing all these new discoveries, and gold production coming on, new gold production, we got to wondering as gold producers, would that always be the case, that every day you take your gold to market you could sell it? Maybe it will get like copper, and there are times when nobody wants it, so it sits in the warehouse. You'd have to just shut down until the market picks up again.

South Africa, due to its Chamber of Mines, which is an organization of the various mining houses that chip in money to the chamber to do a lot of things for them, the gold mining industry in South Africa, one of the things they started doing back in the late seventies was minting Krugerrand coins and marketing them. They established an organization called Intergold that was the marketing arm for the Chamber of Mines in South

Africa. Paul Henshaw and I in those early days watched this Intergold thing, because it was a fledgling idea in '77 or '78, and everybody thought, You don't have to market gold. It sells itself. That's silly.

But what we saw happen was that this Intergold organization really was able to market Krugerrands, and they did. They came over here in '79 or '80, I forget which year, they sold 6 million ounces of Krugerrands, 6 million Krugerrands. And the U.S. is not a gold-owning country. We never--we couldn't own gold for how many years would that have been--thirty years?--couldn't own gold, because it was illegal. So we don't have that custom of owning gold. They came over here and sold 6 million ounces of Krugerrands. So that sort of made us think, Well, by golly, you can influence what people think about gold.

At any rate, we had watched Intergold through that period of time. By the mid-eighties, South Africa was having trouble running their program because people didn't want to take their advertising space and so forth, because of apartheid. So the guys in South Africa that I knew came over here, made an appointment, came over, and told me about this problem with their marketing program for gold, and wondered if we would be interested in forming with them and the other gold producers a world organization that doesn't market gold but promotes gold, promotes the value of gold, just like DeBeers does with diamonds. "Diamonds are forever." Well, get that same thought into the public's mind, that if you buy gold, it's forever, and it has value, it has lasting value, and governments can't tinker with it.

So we thought about that for a little while, and because I was convinced that they really had made a difference in marketing with the Krugerrands, agreed to do that. So we called a meeting of all the gold producers here--I think it was summer of '85--to talk about that.

Swent: Could you say who was in it?

Conger: Oh, yes. Gordon Parker from Newmont came; and Frazer Fell from Placer Dome; the South Africans, Tom Main, who was the president of the Chamber of Mines--I'm trying to recall the Noranda guy, Keith Hendricks from Noranda; Hugh Morgan from Australia, Western Mining. Anyway, we had a pretty good smattering of major gold producers for that time.

At any rate, we decided to do that. We assessed ourselves $2.50 an ounce for every ounce we produced annually, and that generated a budget of about $70 million. We had an organization that was headquartered in Geneva and has offices in a lot of the major centers--New York, London, Tokyo, Singapore--for some. We've got a lot more smaller offices now, particularly in the eastern Asia area, which is where so much gold is going the last three or four years.

But the thrust of the whole thing is just to promote gold generically, and the value of gold. You've probably seen some of the advertising, if you've seen the jewelry advertising in the magazines. We have a logo which is the infinity sign, and that's the logo of the World Gold Council, that gold is infinite.

Anyhow, that's what this meeting was. We meet every quarter someplace in the world to assess how the organization is doing, and get a report from the management. We have a staff of about forty people, I guess, worldwide, that spend this $70 million. That attracts about another $30 million in participative programs, like one of the jewelry chains here in this country will match money that we put up for a gold campaign. So they'll put up an equal amount. So the $70 million is more like $100 million total that goes into gold advertising and gold promotion.

Swent: Per year?

Conger: Per year. That's a lot of money. We pay $5 million of it, as we produce so many ounces. So that's what that meeting was about. As you can imagine, it's an organization that's now seven or eight years old. We're all convinced we've had good success at this. This has been going on in a period where gold production has gone up so dramatically, gone from maybe 35 million ounces in 1980 to plus-65 million ounces now, in just ten years or so, it's doubled. That's a tremendous increase in newly mined gold coming onto the market.

Swent: Does that count the Russians or the Chinese?

Conger: Oh, yes, counts them all. The gold price has remained very low all during this period, but particularly from about '86 on, it's remained between $320 and $400, something like that. You can make all kinds of cases that with gold volume doubling, the price should have halved, because there's so much money to be spent on gold. Well, it didn't halve; it just didn't go up any more. But what's been so amazing is how much gold has gone into jewelry. The jewelry demand has just skyrocketed, which has just been really great. And a lot of that jewelry demand has been over in Asia, where they use 22 karat gold, which is almost pure gold, and it's as much an investment for them as it is an ornament.

Swent: Yes. It's their banking.

Conger: It's their banking system. But that's taken a tremendous amount of gold. So the organization has helped to foster that tremendous increase in jewelry demand, we think. I'm sure it would have been there in some proportion whether we'd been doing this or not, but I think we really did help that.

One of the things that the Gold Council has done, it has worked with various countries who impose import duty on gold jewelry, or VAT [value added tax], or other kinds of taxes, luxury taxes, and that discourages people from buying gold jewelry. The Gold Council has worked with these various governments to get them to stop doing that, showing how it really is counter-productive to raising monies for the government. Because it generates so much business if it's legal, and if they put such onerous tax burden on it, people smuggle the stuff in, they don't get anything. They've been successful, the council has, in getting several governments to drop or lower their taxes on gold. So that's just one of the things that they've done.

But we continue to debate with ourselves whether we're getting our money's worth and all that. Generally, I think we are.

Swent: Where is the McLaughlin gold going?

Conger: We're selling that to Johnson and Mathey over in Salt Lake City. They refine it, and so the point of sale is over there, the doré over there. At the Homestake mine now, we used to make four nines [.9999] fine gold. We've stopped that, because it was not cost-effective. Now we just fire refine the gold which is two nines seven [.997]. Where we had some twenty outlets for the four nines gold, we only have four or five outlets for the two nines seven, which means that we've just got one person now handling all of that, our treasurer, who's also treasurer of the company. So we don't have any sales or marketing force any more at all. We let them all go in the reorganization.

So Lead makes three nines seven [.9997] that we sell to those four or five customers. The Canadian mines sell to the Canadian mint. The Australian mine sells to the Australian mint. And we sell the Chilean gold into Europe, have it refined in Europe and sell it there.

Swent: A variety of places.

Conger: A variety of places, yes.

Swent: But no problem selling it?

Conger: No problem selling it. Still clears the market every day. That's so unusual.

Swent: It's wonderful stuff.

Homestake Does Not Hedge or Sell Gold Forward

Conger: Yes, it's wonderful stuff. It's sort of a culture in itself, people that work with gold. I have sort of carved a niche for myself in the industry in that I don't let our people hedge our gold or sell it forward. I philosophically reasoned that the only reason people hold our stock is that number one, they believe in gold, and they're willing to pay s premium for a stock, anticipating that the gold price is going to rise, particularly in times of uncertainty, and that's going to make our stock a lot more valuable. So if I have already sold it forward at some known price, then why would they pay a premium when they know what the price is going to be and I've capped it?

But I'm a lone person on this. Just about all the other companies are selling forward. Now, they've stopped. They were selling forward when the price was falling. Now that the price has started to rise again, we look better to a lot of investors, because we haven't sold forward, and the up side is all open. But it's been a situation where I've been the only one of my colleagues that has not been selling forward on a regular basis. I think ultimately that will become less popular.

There's a lot of what they call derivatives now being written.

Swent: It's a big word now.

Conger: Big word, big business. Banks and money houses are writing these contracts for people to "reduce the business risk," is the sales promotion. Since everybody's rushing to get into this business, you know that the banks are making money on it. The only place they can be making money are the people that put up the material, for them to do that. The gold miner isn't going to get any of that money that they're making on it. So there's that incentive for them to do it. And of course, the trade-off is I know what price I'm going to get, so I don't have to worry about that any more. I know; I'm paid to worry, so that's no argument not to worry any more.

But I think what's going to happen is that so many people are getting into this business of writing derivatives on everything--interest rates, all kinds of things--that that is going to overrun, it's going to collapse, and there's going to be a lot of bum paper out there that people aren't going to collect on. There will be a big hullabaloo about that. These gold futures could be part of it.

I am philosophically against it because I think that's why people own shares in a gold company is because they own gold in the ground then. Maybe they're lucky and find another new mine which makes the stock even more valuable, but at least they own gold in the ground, and it's going to be whatever it's going to be, if we don't sell it all forward, so that it looks just like a sack of potatoes when it's all over. So that's--.

This is an interesting time.

Swent: An old Chinese curse, I understand: "May you live in interesting times."

Conger: That's right. [laughter]

Swent: Well, you have been through various--

Conger: Several cycles, yes. It's been great, it's been fun.

Swent: We still have some tape, if there's more that you want to say. I don't really have any more questions. I guess one thing we might just touch on briefly--I noticed the annual reports, which I was just looking at yesterday, and they were very glossy and very beautiful.

Conger: Yes.

Swent: And then all of a sudden, they were printed very inexpensively. Eighty-two was a very bad year.

Conger: That's right.

Swent: That must have been kind of a tough time to weather.

Conger: Yes. I'd say coming out--'82, it got down to $285. Eighty, it had been $850. Tough to comprehend. And of course, by this time we had committed to build McLaughlin, and all of that was going on.

Swent: Costs were escalating.

Conger: Cost was escalating.

Swent: There was a strike at Lead.

Conger: There was a strike at Lead, a crazy strike, crazy. But all of those things were going on at the same time, but the annual report is sort of a mirror of a company, and it should be seen as that. Same with the wages we pay ourselves and other things too. During those periods of time, we don't give raises and we don't give bonuses and all that stuff. So those are ways you react to what's going on, and annual reports are a good way to do that. No pictures or anything: tough times. If it's on wrapping paper: tough times. If it's all glossy, things are going well. I guess everybody was sort of reacting the same way.

Swent: That was a "down" that you weathered.

Conger: Yes. There was one then that we got down to $295, $285, and then things picked up, and then later in '82, but then in '85 or '86, we got down to $295 again. Then we went up to almost $500 in '87 for a nanosecond, and then it fell off, and from there it kept dropping until--well, last year it was--it dropped until last year. Just gradually getting lower and lower, until it got down to about $320 last year.

Swent: It's been up a little bit since then.

Conger: Oh, yes, it's been up nicely since then. And we think it's a good gold market around now, good strong offtake, good demand, and people are starting to buy gold for investment again. In my judgment, that's what really affects the price. When people buy gold for jewelry, jewelry is price-sensitive, and people are sort of saying, "Well, gee, the gold price is high, I don't think I'll buy any gold this year for my sweetie. I'll get something else, or nothing."

New Alternatives in Investing in Gold

Conger: But the gold that goes into jewelry, in my judgment, doesn't affect the price, doesn't escalate the price. It's when people invest in gold that it does affect the price. One of the things that has so complicated our lives in trying to assess what the gold market is doing or is going to do is that there are now so many alternatives to investing in gold. It used to be gold bullion or a few stocks, a few gold stocks around the world, ours being one. Fifteen years ago, those were the alternatives to invest in gold really.

Now, there's a thousand ways to invest in gold, none of which go into the bullion market. This "paper gold" competes with bullion for investor dollars. So only a fraction of the money being invested in "gold" is going into bullion.

Swent: Do you mean the gold funds?

Conger: The gold funds, although gold funds will hold gold, and gold loans, where a company borrows gold from, say, one of the central banks or from UBS or one of the banks, but borrow gold from them, sell the gold into the market, take the cash and build a plant or do something else with it, and then pay back in gold from production. So those are uses of gold, and that money goes into the gold market, only it's on the sell side, not the buy side. It's taking gold that's in reserve (sort of out of the way), and putting it back on the market again. So that's the reverse of what you want. What you want is that same party to buy gold and put it away. So it's been going the wrong way.

So all of these things have made it difficult to see the gold price rise, because of these things going on in the marketplace. Whereas fifteen years ago, we didn't have any of that stuff. So it was more supply and demand than it is today, only the trouble is, fifteen years ago, it was fixed at $35. So there you are. Not fifteen--twenty years ago now I guess. Time flies.

Swent: Yes. Well, you'll have to go out and find a new mine.

Conger: Yes. And I think we have one over in Nevada. We're going to see that that's going to blossom into quite a nice project. We just got our permits yesterday to start the next round of drilling. We've drilled all we could do on the first permit we had and we've got the second one. The drills are on their way there right now to start.

Swent: And this is near Eureka?

Conger: Right outside of Eureka. From the hill, you just look right down into town. So we've already got a town.

Swent: Interesting. That's another old mining district.

Conger: That's the second oldest one in Nevada, I just learned, Comstock being the first. That's the second one. I didn't realize it.

Swent: And now booming again.

Well, that's the end of the tape. Thank you very much, Harry, for these interviews.

Transcriber: Shannon Page
Final Typist: Shana Chen

Regional Oral History Office
The Bancroft Library

University of California
Berkeley, California

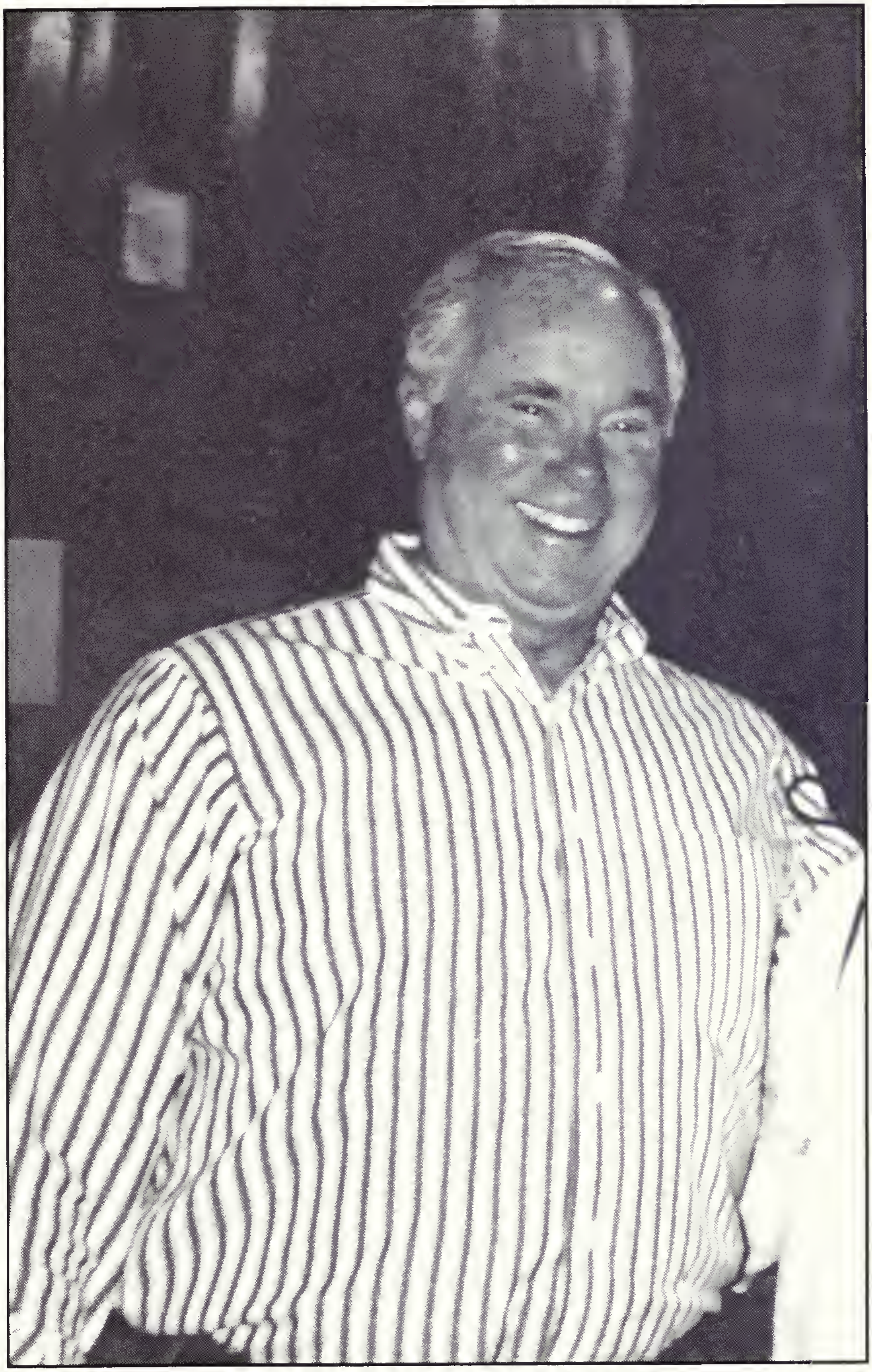
Western Mining in the Twentieth Century Series
Knoxville/McLaughlin Project

John Jay Corley

CHAIRMAN, NAPA COUNTY PLANNING COMMISSION, 1981 TO 1985

Interview Conducted by
Eleanor Swent
in 1994

Copyright © 1998 by The Regents of the University of California



John Jay Corley, Monticello Winery, 1997.

TABLE OF CONTENTS--Jay Corley

INTERVIEW HISTORY 214

BIOGRAPHICAL INFORMATION 215

I CAREER BEFORE COMING TO NAPA VALLEY 216

Education in Illinois, Michigan, and at Stanford 216

Running Businesses; Enjoying Food and Wine 218

Memories of Grandfather's Illinois Farm 220

II NAPA VALLEY SINCE THE 1960S 221

Establishing Monticello Vineyard and Winery in 1970 221

Upper Napa Valley Association, UNVA 224

Haberger, Hackett, Hickey, and Hamilton: the 4-H Club 227

Chairman of the Napa County Planning Commission, 1981-1985 228

Lead Agency for Permitting the McLaughlin Mine 236

The Public Hearings and Nervous Non-Technical People 239

The *Napa Register* a Fair Reporter 246

Jim Hickey's Outstanding Job 248

The Phylloxera Problem in the Vineyards 250

The Governmental Process Worked Fairly for All Parties 255

INTERVIEW HISTORY--John Jay Corley

Jay Corley was interviewed for the Knoxville/McLaughlin oral history project because he was chairman of the planning commission of Napa County, the lead agency during the permitting process for the McLaughlin Mine. We first talked by telephone in 1993 and in June 1994 he accepted the invitation to participate but then there were a number of necessary delays: the crush at his winery, a honeymoon in France, and the phylloxera epidemic which caused extra pressure of vineyard work.

We arranged a convenient time for the interview on 4 November 1994 at the Jeffersonian replica at his Monticello Vineyards on Big Ranch Road in Napa. Jay Corley, casually well-tailored, ushered me to an upstairs reception room which has traditional Georgian decor. He explained that his family goes back to colonial Virginia and he feels a personal link to Jefferson's interest in viticulture. Additionally, his vineyards lie near the road to the old town of Monticello, California. He graduated from Stanford in economics and has a graduate degree in strategic planning; before coming to the Napa Valley in 1970, his career was in government service and finance.

Corley was appointed to the planning commission in 1981, and after his first meeting was made chairman. He recalls that the county had a good general plan in place: "... most of us had the realization that that [the unincorporated part of the county] was for farming, and the cities were for commercial development, and that you had to have a pretty darned good reason to try to do something in the county." He discusses the "4-H Club" of Haberger, Hackett, Hickey, and Hamilton, who were instrumental in the Napa County planning commission.

He clearly enjoyed his role in the development of the McLaughlin Mine. "Our planning commission...was one of the most distinguished that the county has had." Of the applicants he says, "I saw them all as very professional. And I enjoyed every minute of the challenge, because it was a good challenge to our thinking process....I understood what they were talking about. I had enough chemistry...and enough geology....I think it was very fortunate that we were the lead agency because it's my opinion that had this been presented in the other two counties, the hearings may still be going on!"

He looks back on the experience as an example of "the governmental process working, and working fairly for all parties."

The tapes of the interview were transcribed in the Regional Oral History Office, lightly edited, and sent to Corley for review. He made a few corrections of spelling of names and returned the transcript promptly. The manuscript was corrected and indexed at our office. The tapes are deposited in The Bancroft Library and are available for study.

The Jay Corley interview is one of more than forty interviews which were conducted by the Regional Oral History Office from 1993-1997 in order to document the development of the McLaughlin gold mine in the Knoxville District of Lake, Napa, and Yolo Counties, California, from 1978-1996, as part of the ongoing oral history series devoted to Western Mining in the Twentieth Century. The Regional Oral History Office was established in 1954 to record the lives of persons who have contributed significantly to the history of California and the West. The office is a division of The Bancroft Library and is under the direction of Willa K. Baum.

Eleanor Swent
Project Director, Research Interviewer/Editor

Regional Oral History Office
The Bancroft Library
January 1998

Regional Oral History Office
Room 486 The Bancroft Library

University of California
Berkeley, California 94720

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name John Jay Corley

Date of birth July 30, 1931 Birthplace Evanston, Ill.

Father's full name John Paul Corley

Occupation Bus. Exec Birthplace Tower Hill, Ill.

Mother's full name Helen Willis Corley

Occupation House wife Birthplace Chicago, Ill

Your spouse Joan Pearson Corley

Occupation Housewife Birthplace Pendleton, Ore.

Your children John Kevin, Kent Edgerton, Mark Howard, Michael Conner
Stephen Arthur, Christopher Crawford, Carolyn - All Corley

Where did you grow up? Evanston, Ill.

Present community Napa, Calif.

Education BA Stanford, MBA Pepperdine

Occupation(s) Farmer - Business Exec.

Areas of expertise General Bus Consulting, Civic Affairs
Farming, Wine

Other interests or activities Governmental Affairs

Organizations in which you are active Napa Valley Vintners, Wine Institute
NapaValley College, Stanford University, Stanford Museum,
Napa Rotary, Jonathan Club, LA Quinta C.C., Los Altos Hills CC.
Meadowood Club, Knights of The Vine

I CAREER BEFORE COMING TO NAPA VALLEY

[Date of Interview: November 4, 1994]##[1]

Education in Illinois, Michigan, and at Stanford

Swent: Here we are near Napa, California, on November 4th, 1994.

This is the culmination of a long process. I think I first called you in June of '93.

Corley: Yes.

Swent: I first got in touch with you in June of 1993, and here we are in November of '94, but you've been awfully busy in the meantime, getting married and--

Corley: Right.

Swent: --struggling with phylloxera and a lot of very important things in your life. Now we're going to go back and try and reconstruct things that happened years ago. The principal reason that I'm interviewing you for the McLaughlin Mine history is because you were chairman of the planning commission of Napa County in the early 1980s. But before we get to that, let's find out what your beginnings were: where and when you were born and what brought you to Napa.

Corley: Well, I was born in Evanston, Illinois, and went to school there, and later attended the Cranbrook School in Bloomfield Hills, Michigan.

---

[1] This symbol (##) indicates that a tape or a segment of a tape has begun or ended. A guide to the tapes follows the transcript.

Swent: What school did you go to in Evanston?

Corley: Evanston High School and the Evanston grammar schools and so forth. And then I went to Cranbrook School and graduated in 1950.

Swent: I think of music and art at Cranbrook.

Corley: Yes, but they had a school for boys called Cranbrook and a girls' school called Kingswood. And a wonderful collection of art schools and architectural training.

In any event, after graduating from there, I attended the University of Arizona and then attended Stanford University and graduated in 1954. And after my Stanford graduation--

Swent: Just a minute, not so fast. What did you study at Stanford?

Corley: I was an economics major.

Swent: Economics. In 1954. Who were some of your teachers?

Corley: Laurie Tartius was the head of the economics department, and he was quite a character himself.

Swent: How do you spell that?

Corley: You know, I can't remember.

Swent: Okay. Well, we can look it up.

Corley: But he was a character. I happened to go back to the fortieth reunion two weeks ago at Stanford and sat in some of my old classrooms, and believe me, I wouldn't recognize the wonderful re-do that Stanford has done to their classrooms, compared with the way it was. I think our classrooms were unchanged from the day they were first built! And so I envy the students that are there now.

But in any event, following graduation, then I became a part of the National Security Agency for the government and attended the Army Language School at Monterey.

Swent: What languages?

Corley: I was an Italian linguist. Then I went back to Washington and worked in a special department using Italian and other languages. The N.S.A. [National Security Agency] is a rather unique and closed mouth organization that prefers not to say too much, even today.

Swent: Had you known any Italian before?

Corley: I knew Spanish, so that seemed to help a little bit.

Swent: Was this a choice you made, or did they choose for you?

Corley: Well, no, it was partially--it was sort of a mutual deal. And so I was involved in that for about three years. Then after leaving the National Security Agency, I lived in southern California and was involved in a variety of business activities, including my own company, financial-oriented activities.

Running Businesses; Enjoying Food and Wine

Swent: Can you be a little more specific?

Corley: Well, I had my own company, and we did a lot of insurance work, and mutual funds and estate planning and life insurance. I started a life insurance company called Far Western Life. We later sold that to a company down in Austin, Texas. I served on that board for, I don't know, fifteen years or so, until we resold that company. And helped start a number of other businesses in southern California.

And as a hobby, I got interested in wine and food and became a member of various wine and food groups. As an extension of that, I came up to Napa Valley, just to see the wine industry as a casual observer.

Swent: Could you be more specific about the groups that you became a member of?

Corley: Well, it was the International Wine and Food Society of Los Angeles. I was a member of that and the Chevaliers du Tastevin and other groups in southern California. These had national or international recognition, but essentially it was a membership of people like myself that were interested in good wine and food.

Swent: But not necessarily producers.

Corley: No, these were just people that were lawyers, doctors, businessmen, and others that enjoyed the pleasure of cooking. We cooked and we selected the wines, and we had test dinners. I became more involved than many by participating in these activities, and that--

Swent: How long had these societies been there, in L.A.? Do you have any idea? It seems to me this was sort of a new-ish phenomenon.

Corley: Oh, the International Wine and Food Society was started in--it's more than fifty years old. And the Chevaliers du Tastevin is equally as old.

Swent: Had they been in Los Angeles for that long?

Corley: Yes. Well, at this point now, they certainly have. But when I joined, they had been established for many years. It's a very internationally recognized group.

Swent: Yes, I know they are.

Corley: But in any event, that led me to come up here to take a look at Napa.

Swent: Excuse me, I keep backing you up, because you're going so fast. What was your father's career? Was he interested in these kinds of things?

Corley: No, he was a businessman, and he was more of a meat-and-potatoes guy. So this was, I suppose, an extension of my family's interest--they were quite outgoing people. But I just carried it to the extent that I enjoyed wine and food. When I came to California, wine was obviously a part of the culture here. In the Midwest, people weren't particularly wine drinkers, at least not in the circle of my family's friends. And so because of my college experience here, I began to be aware of wine.

Then, having lived here after college, when wine and food was more prominent, it just seemed like a natural extension of home entertaining and being entertained elsewhere. People knew wine and started talking about wine, and I just carried it to the furthest extension possible by my interest, really, in farming. As a youngster, I used to visit my grandfather, who was a country doctor in southern Illinois, and we would spend time making the rounds.

Memories of Grandfather's Illinois Farm

Swent: Where was that?

Corley: That was in Tower Hill, Illinois, which is in the southern part of the state, near the city of--a big city of Pana, which is really not too big of a city, either. But in any event, my grandfather had a farm, and in the old days the doctors used to make the rounds to see the patients, and I got to go with him. I would beg my grandfather to take me out to the farm on the way to or from his journey. I loved the farm.

That little town was a crossroads for some railroads that would run through there, and between farming and the railroads, they have been two little passions that I've had since a kid. So I would watch every train that came by, and every time I could get in my grandfather's car, we'd go out to the farm. He grew corn and soybeans and had farm animals and so forth. It always had been in the back of my mind.

So when I realized that Napa Valley was a place were I could grow grapes--and I had been involved in a series of business investments and companies that I helped start or did start, and served on the boards of companies--I thought well, maybe I could do something just for myself, and I would buy some land in Napa Valley and grow grapes.

II NAPA VALLEY SINCE THE 1960S

Establishing Monticello Vineyard and Winery in 1970

Swent: When did you first come to Napa Valley?

Corley: I came to Napa Valley in the late sixties, and in 1970 I purchased--well, I became serious in 1970, and I came up here, I think, almost every weekend for about eight or nine months.

Swent: From L.A.?

Corley: From L.A.

Swent: That's quite a weekend!

Corley: I was flying up on PSA when it was only about thirteen dollars to fly up. I'd fly to Oakland, rent a car. So I had people at PSA and Hertz that knew me on sight, wave and say "Hello." And I even have a couple now that--a lady used to give me my ticket in Los Angeles on PSA, and she later transferred to Oakland. I saw her there, she knew about our business, and she's been up to the winery any number of times with her husband. She was here just a year ago to visit, so some old friends--

Swent: Did you fly out of LAX?

Corley: LAX, yes. Those were great days. Fly up here, and--Jim Lider was the agricultural advisor. I didn't know a thing about growing grapes, so I would go to the University of California Extension service, and I would call his office and beg for an appointment and--

Swent: Where was his office?

Corley: Here in the city of Napa. I would go in and get every kind of brochure they had and all the information. I talked to Jim, and we became pretty good friends, and we still are today. He served as a great advisor to the valley on wine things, and made my life much more knowledgeable, and steered me in the direction of doing what we've done. I'm a Burgundian enthusiast, which means that I like Burgundy wines, which would be Chardonnay and Pinot Noir, and since they grow best in the cooler regions, we chose Monticello, which is an Italian word meaning "little mountain." It's a name that I gave this piece of land. Just bought the land. It never had grapes on it before, so I just--everything here is now a creation of what came out of that first--

Swent: Who had owned it before?

Corley: A Dr. Schlies had owned it, who was a pediatrician in Pleasanton. He had bought it from the Avanzino family, and the Avanzino family continued to have a little home actually on the front of this property. There's still a two-acre site that they have subsequently sold a few years ago to some folks, and another parcel that we had belonged to George Heid. George and Rose Heid sold us some acreage, which now is part of the 125 that we have here.

Swent: Did you shop around a good deal before you bought it?

Corley: Well, we looked, or I looked all over the place. I mean, the Napa Valley wasn't anywhere nearly as developed as it is now.

Swent: Let's talk about what it was like then.

Corley: Well, actually, I wish I had realized then what I know now, because there were only about, oh, ten wineries or so that were here. Christian Brothers, and Beaulieu, and Inglenook, and Krug were the larger wineries. Trefethen had just started, and Rutherford Hill had just started. Bob Mondavi had just started his operation, and there were others that I wasn't aware of at the time. So it suited me to really be in the grape-growing business.

To look back now, I wish I had started the wine business then, because all those people that started ten years earlier than I did seem to have established a special credibility with people that, even as early as we came, we were still within a newer group of people.

Swent: Just a few weeks ago, I went to the twenty-fifth anniversary celebration over here of the Napa Valley Agricultural Preserve, which was established in 1969. So it had been restricted by then to agriculture.

Corley: Yes, the agricultural preserve had been established, and not everybody has agreed with that establishment and with that process.

Corley: Evidently, it was quite a fight to establish it.

Corley: Well, I think it was. The disagreement came from a variety of directions, but in any event, the land that we now have was not in the original preserve. The preserve started to spread itself out and really arbitrarily included our property, without our ability to say much about it. We had a certain force of people that felt that they simply knew more than the rest, and by the dint of their efforts, expanded the agricultural land. There are some advantages, and there are disadvantages.

Swent: What are they?

Corley: Well, the advantage is that you're in a protected zone as far as agriculture is concerned. The disadvantage is that you lose flexibility on the rights of your land, and now, of course, we have all kinds of constraints that the county has put upon landowners, where they can't divide their property. In my case, I have seven children. If I wanted to divide this land among my seven children, it would be impossible. You have forty-acre minimums. So there's lots of inflexibilities that were built into this system, but maybe collectively, if you're here for the purpose of growing grapes and making wine, you're afforded some assurances that we're not going to have the problems that Monterey-Carmel, San Jose, and Palo Alto regions have.

Swent: What do you see as problems there?

Corley: Their problem simply was that the popularity of the region caused the land use to completely change. It's all commercial and residential. I think that the ag preserve has helped reaffirm the spirit of people like myself when we came here, that we're grape growers; we're not subdividers. I think most people that are here for the purposes like we are, we're not going to subdivide our property, either. However, it could be that my heirs or other people that own the property might have a different view, so this ag preserve now enforces the protection of the zone, and it has allowed us to maybe develop the agricultural region that we have here in a proper fashion. And now it's permanently established, and it's really unlikely that, except for modest encroachment, would somebody really sell to somebody that wants to carve it up for homesites.

Swent: Did you anticipate the tourism aspect of this at all?

Corley: Well, unfortunately, I didn't. I was so focused on growing grapes that I chose this land because it was next to the Napa River and that we could have water, which I felt we needed for frost protection. We use a sprinkler system that sprays the water and forms an ice cocoon on the vines as they're beginning to bud out in early March and April and May. I thought that that was very important, and didn't think that being on Highway 29 was going to be some enormous advantage, that the public just flocks in and buys your wine. That's been a good step for a number of people, but we were very serious grape growers, and I just focused on the grape growing at the time. I had thought of a winery but did not plan one at the time because I couldn't be here. I was an absentee person, although I did much of the work myself for three years. We then had a hired manager.

Swent: Did you have difficulties then getting your winery because of this restriction?

Corley: No, at the time that we were developing the winery, the county's attitude and the public that were here, the voting public that were here, seemed to recognize that, obviously, an extension of grape growing was to have a winery. I believe, however, that when Heublein constructed a big warehouse-type building right in front of Inglenook, blocking its view from Highway 29, that galvanized the community to take a different look.

Upper Napa Valley Association, UNVA

Swent: When was that?

Corley: In the sixties, and I don't know for sure. I can't remember specifically. Or the early seventies. I don't know the dates. I just remember that that construction caused a lot of people to rethink how could some East Coast people block the view of one of the great landmarks of the valley. And therefore, the community began to rethink, and that group called UNVA, which is Upper Napa Valley Association, became very active in some phases of land use.

Swent: Was this just before you came, before you bought this?

Corley: Well, during that time. I think it had been sort of a social group that became an activist group that became an outspoken group. I remember attending some of the UNVA meetings more for an opportunity to meet some of the locals than to dramatize a cause. But I began to realize that there were some people with some strident views. And I think often, as happens in a community, there's a lot of well-meaning people that go off on a tangent one way or another, and I think that theme we can talk about later, when we're discussing the McLaughlin Mine project. That certainly became quite evident in that process.

Swent: So for a few years, you only grew grapes.

Corley: Correct.

Swent: And was there a house here already?

Corley: Well, there were some houses in the back of the property. As a matter of fact, I'm living in one now. I live at the back of the property here. We had a house and a cottage, and I sort of revamped the cottage and lived in that when I came up. Pretty rustic I might say. [laughs] And then later, when I moved up permanently in the late seventies, I lived in St. Helena. Matter of fact, I bought the house from Peter and Blanche Mondavi, or [pronounces "Mon-day-vee"] as they called themselves during the difficult times that the two brothers had.

Swent: So you were able to put up these new buildings without restriction?

Corley: Well, no. The planning process was in full swing by then. During my chairmanship, we approved several dozen wineries. At the time, ours was approved, and with tours and tastings and visiting activities, and we have a culinary kitchen here, which is for the purpose of not selling food but showing off wine and food in the right context.

Swent: We should say for the record that the building where we are is a lovely little replica of Monticello in Virginia.

Corley: Yes, it is. We worked hard to not make an exact replica, but we wanted the building, and we think we've accomplished it, in having the feel of what Jefferson's home was like in Monticello. The word "Monticello" is not used, however, in Napa Valley. It's mispronounced "Monti-SELL-o." Under Lake Berryessa is the old cattle town of Monticello, which now is approaching, I'm pretty sure, more than 125 years. A few years ago, when we had the serious drought, the lake went down to a point that you could see, through the water, the old town: bridges and some buildings were still visible from the water's surface. Then, of course, we had the Monticello Dam, which holds the reservoir back, and that dam feeds water into Yolo County. Again, that comes up in the discussions about the mine.

But in any event, I was essentially honoring Thomas Jefferson. Our family, the Corleys, had settled in Virginia, and we know that they were there in the 1640s and maybe earlier, and we have genealogies that discuss all of this. So my Italian language background and Jefferson's interest in wine and food--as a matter of fact, he imported what he called a vignorone named Philip Mazzei, who was an Italian, to become his foreman. Well, this foreman got some of the vineyards started for Jefferson and then became a patriot and left Jefferson to help gain the independence for our country, and so Jefferson's vineyards sort of fell into disrepair. But he was a great wine-and-food fellow of our Virginia heritage. So that's how Monticello got its name, as far as I'm concerned or know.

But in 1970 the vineyard started. In 1980 we started making wine. In '82 we built the winery and started this building and completed it in '84, so it's now ten years old. Ten years and a few months.

Swent: It's lovely, and beautifully furnished.

Corley: Well, we've tried to use the theme inside of the--the wallpaper in this room is typical of the wallpaper that was in Jefferson's era. The colors in this building are all 250-year-old colors. So it's a little throwback to--

Swent: It's beautifully done. So was this an incentive for you to go on the planning commission?

Corley: No, not really. I had been very interested in political science in college and just was an avid reader. If you remember way back when *Time* magazine used to have these quizzes in them, I would faithfully take these quizzes. Of course, I had read everything, so I always got them all about right, so my enthusiasm for the political process was high. But I'd never been able to really make a contribution, but when I moved to Napa Valley, essentially I had sort of completed much of my business career at the time and really wanted to devote my energies to growing grapes and to having an agrarian life.

Swent: Did you bring your family up here?

Corley: Yes, we all moved up here. As a matter of fact, I had been running a company that was a public corporation, and had gone back and even gotten a graduate degree in strategic planning, and wrote my graduate thesis on the economic viability of a winery.

Swent: Where did you do that work?

Corley: I did that at Pepperdine [University, Malibu, California]. Sort of one of these programs where I ran my business and went to school on the side. When I finished, I just decided, Well, I think I'll leave. And I packed up, and we moved up here, into the Mondavi home. The Mondavis had a problem at the time: they didn't want to sell their house to anyone that were local, because they would have had to pick one over another and caused a lot of grief, so they sold it to us as outsiders.

Swent: I see. [laughs] It must have been a lovely house.

Corley: Well, it's a very nice, kind of an all-American, Cape Cod home up in St. Helena that we enjoyed for many years, and then I moved down the street into Louis Strala's home. Louis Strala is a name that's well known in the history of Napa and was a former mayor of St. Helena and active and owned vineyards and winery property here for many years, so our life sort of touched upon history.

Swent: With seven children, you must have been a boon to the local schools!

Corley: [laughter] Well, yes.

##

Corley: They weren't all in school up here. Just the younger ones.

Swent: That makes quite an impact on the school system.

Corley: Well, it did. We lived right between the grammar school and the junior high school up here, so it was very easy for us to--they either turned right or left and walked one block, and they were at school.

Haberger, Hackett, Hickey, and Hamilton: the 4-H Club

Corley: I then had time to participate in activities, and as a result, I was involved in the Napa Rotary Club, and joined the Rotary Club, and as a result met some of the local folks. Al Haberger was one of the persons that I had met, and we got talking, and he seemed to be really interested in the long-term, positive welfare of the community. He was the man who helped run the county activities, the county administrator. Haberger, Hackett, Hickey, and Hamilton were the "4-H Club," and those four men were very influential and instrumental and, I think in a very positive way, of guiding the county into lots of positive things. Jim Hickey was the head of the planning commission.

Swent: The others were also all on the staff?

Corley: They were all staff members at the time. Harry Hamilton handled all the road activities and all of those things, and Hackett was the county counsel. So we called them the 4-H Club, and they guided the commissions and the supervisors and conducted the business of the county. I think we were very lucky to have them. Jim Hickey, who I think you have interviewed or will interview--

Swent: Yes, I have interviewed Jim, yes.

Corley: I've had a very high regard for his integrity. He certainly had a lot of influence on what we were doing, and I think it was very positive. Of course, we all get caught up in the political process, and each of those four men had to serve a lot of different political leaders during their tenure. But I think that we really did well. It was that process that was in place when our planning commission was formed by a new group of board of supervisors. And it was our planning commission, I think, and not just because I was the chairman, but I think it was one of the most distinguished that the county has had, past or beyond the time that we graduated. We really had a group of people that I think collectively distinguished themselves on behalf of the county and carefully thought through the things that we did, and I take great pride in that association with our members at the time.

Chairman of the Napa County Planning Commission, 1981-1985

Swent: Let's talk a little bit about the setup of the planning commission. Was the planning commission a relatively new institution?

Corley: No, the planning commission had been in effect for many, many years. I don't think--I think it evolved--

Swent: It's a little unusual. A lot of counties at that time did not have planning commissions.

Corley: Well, some cities don't still [chuckling], like Houston, Texas. I mean, it's a disaster to go to Houston. You can do anything you want anywhere. Our planning commission, I think--this may not be fair to my predecessors, but maybe ten or fifteen years before I became a member of the planning commission and was chairman, I think that it was often sort of an honorary program and that the commission technically conducted hearings, but I believe that the staff strongly influenced the people.

But during my time and just before my time, the political process in the county changed. It was more politically active people, and the elections of the supervisors became more strident. The supervisors were the ones that appointed people from their district, or had the authority to appoint people to the planning commission.

Swent: Were you districted?

Corley: Well, there was at least an influence, that we had five commissioners and we had five supervisors, and the supervisors said, "Well, I have influence to at least get one or more people," and we had--

Swent: And these were geographically--

Corley: Well, they were influenced. You could be appointed from anywhere, and so there were three supervisors that appointed me.

Swent: Who were they?

Corley: Well, Harold Moskowite was the chairman of the board of supervisors when I--

Swent: He has a ranch in--

Corley: Yes, as a matter of fact, he's down in the--

Swent: --and has gone into the wine business.

Corley: He has, yes.

So we were all aware of the political process, but I think our planning commission, once it got appointed, and I can't tell you for sure, but I think the people that appointed us let us do our thing to the best of our judgment.

Swent: How did this appointment come to you? Did you express an interest?

Corley: I expressed an interest, and through a combination of opportunities, my name went forward, and it was selected. They had a number of people, and I was selected, and I think I have had a good background, so that it was--

Swent: You have a wonderful background for it, yes.

Corley: --so having been president of any number of organizations and having had sort of an administrative background and a reasonable educational background, it led me to be comfortable as the chairman, and it led me to be comfortable in dealing with the issues.

Swent: You said you attended one meeting and then were immediately made the chairman.

Corley: Yes. So I had a little OJT--on-the-job training--at first.

Swent: Where did you meet, and how often?

Corley: We met twice a month, and we met in the county administrative building down in the city of Napa.

Swent: The five commissioners.

Corley: Yes.

Swent: And then staff people attended your meetings also?

Corley: Yes. The staff technically organized all aspects of what went on. So we appeared usually at one or one-thirty, and we had an agenda that the staff brought to us, and then we heard the issues. And often they were mechanical things that the staff had put in the right sequence.

Swent: What sorts of things were they?

Corley: Well, mainly, it had to do with the development of the unincorporated part of the county, so it had to do with anything outside the city limits of Napa and Yountville and Saint Helena and Calistoga.

Swent: There was a lot of commotion about a shopping center up near Silverado. Was this something that you--

Corley: Yes, to me--well, I wouldn't use the word "commotion."

Swent: Well, I've read the papers, and--

Corley: Yes. There were just a series of things that people wanted to do, and in the unincorporated part of the county, most of us had the realization that that was for farming, and the cities were for commercial development, and that you had to have a pretty darned good reason to try to do something in the county. At the time, there weren't lots of people that wanted to build houses, but if you had the acreage, you could build a house.

Swent: Forty acres was--

Corley: No, it wasn't--many lots in the county are all kinds of different sizes, so over the years people have bought up all the small sizes. But it's very difficult, you know, to redo your property. As time has gone by now, there are fewer and fewer small parcels and more big ones.

So we had a series of hearings about anybody that wanted to develop something in the unincorporated part of the county. It would come to the planning department for various approvals. Did the building meet the standards? Was it a proper use? Did it meet the concerns of the general plan, which--the state had by then mandated that each county have a general plan, and there was a series of elements in the general plan that outlined the guidelines that the staff and the commission operated under, so we--

Swent: So this had already been adopted by this time.

Corley: It had been adopted, and it also then had been renewed. So we went through a series of extensive hearings on how to update and upgrade the general plan to meet new state standards. It was in that area that we had the advantage of Hickey, Hackett, Haberger, and Hamilton. They had been doing the right thing for years, or what I deem the right thing to be. We had good standards.

Swent: Can you be a little more explicit?

Corley: Well, the standards of whatever we did. It wasn't a half-baked deal. I mean, it wasn't a standard for one guy over here and a different one for somebody over there. We were consistent. And I think it was because of their leadership, that they saw an opportunity--and I don't know that collectively they had this mission, but the four of them became quite a force. And I think the county is the better for it.

So our job as planning commissioners was to review the plans that people brought to us to see, does it meet the test? Before it got to us, the staff had already done a big part of that work, and they weren't letting things by. So we had good standards and good common sense. There were fairly good people, I think. Cliff Lober was a marvelous legal counsel to us. He was our legal advisor, and I respected him. Sadly, I don't think you're going to be--if you haven't interviewed him, he passed away, very sadly, a few years ago. Outstanding. And so did Hackett. They both are gone. But in reading about the history of the county, you'll certainly see their names.

In any event, we had some very good standards that these people applied to the operation of their departments, and we had a pretty good general plan that respected the agrarian wishes of the community. So the framework was there as it applies to what we're going to come to with the mine issue. A lot of these things were in place, and our commission was made up of some people that were quite diversified. We had an airline pilot, we had a labor unionist.

Swent: Could you name the people that were on the commission?

Corley: Janice Haven was a housewife that had good community sense and later worked for the county. Kelley Barber, who, I believe, was a labor union leader.

Swent: Do you know which union?

Corley: No, I don't. And Homer Denton, and Robert Lewis. Homer was an employee of Mare Island [navy yard], and Lewis was a 747 pilot. The five of us got together--

Swent: Were you all about the same age?

Corley: Oh, within the range. I think within ten years or so. I think just a terrific group of people. We didn't socialize together very often. We had the Brown Act to worry about, so that we couldn't do that. But when we met, people had done their homework, they'd read the material, we came prepared, we didn't have somebody that had a--you know, they weren't there for a cause. They were there to render a service, and that may have been the last of that type of commission, because I think after that, people were, "God, we've got to get on the board to protect this issue or that issue." We were there to serve the county, and that's the pride that I take in that planning commission.

And from that stemmed a number of years of work. We were together for quite a few years, and I think that that was a very good time. I know I felt that I had served long enough and retired, and some people--you know, once you get going, you feel like you're making a contribution and you need to stay, and several people stayed on.

Swent: I guess we haven't said when you went on. It was 1981.

Corley: 1981.

Swent: And you served for four years.

Corley: The next four years.

Swent: Eighty-one to '85 are the dates that I have for you.

Corley: Those were important times in the community.

Swent: They really were.

Corley: And I do take pride in what we accomplished.

Swent: Well, by all accounts, that was an outstanding planning commission, the way I hear it.

Corley: And I think that it was framed in the backdrop that I just discussed with you, because of the leadership that was the staff that was in place in the county. We had political elections to put the supervisors in, and they had their own agenda that they had to go with, but I think that it worked well.

Swent: You haven't mentioned who some of the other supervisors were. Perhaps they changed.

Corley: Well, they changed.

Swent: But Moscowite was the chairman of the board of supervisors.

Corley: And White, Bob White, was there. And Mikolajec, and you'll have to refer to the correct spelling for Mickey's name. And there were others that were there, and we interfaced with them.

Swent: Did you attend meetings of the board of supervisors?

Corley: I didn't very often. Only when there seemed to be a major issue. From my standpoint, I was not a political chairman. I wasn't calling somebody up and saying, "What's the politics of this?"

And I think that was the good thing about our commission, is that from time to time we knew, and from time to time people would appeal our decisions, but rarely did we have anything changed. And it wasn't a rubber-stamp deal; it was just that I think we were doing the right thing, and it held up. Because any of our decisions could be appealed, of course, to the board of supervisors. And some people would have liked to bypass it because they'd shorten up their time of approval. But that didn't work too often, either.

Swent: Prior to the McLaughlin mine project, had there been many that involved environmental impact reports?

Corley: A few, but they were not of this significance. Of course, I don't think that the county has had, before that approval process or since, I don't think, that I know of, anything quite as sophisticated. That was the one process that I really enjoyed. I thought if there was somebody that was there that could grasp what was going on, I felt myself, that I was able to understand the issues and to see through the process. Fortunately, I think that those that were making the application, they were professional people, and I understood what they were talking about. I had enough chemistry and so forth to understand the mine and enough geology that--which I had taken both of those classes.

Swent: I think you said you had enjoyed geology.

Corley: I did, and we'll talk more in detail about this. But in any event, that [McLaughlin] was the most interesting because of its complexity, and you had to be on your toes all the time. One of the things I liked about being the chairman was that I was conducting the meetings. If you were just another member, I'm not sure how long I would have liked to have been on the commission, because--it wasn't that I was trying to dominate the dialogue, it was just simply that the dialogue went through the chairman, and we could shortcut those that were--could see through the impropriety of some of the dialogue.

Swent: Had you been aware of the applications that were made earlier by Amax for doing geothermal projects in the county? There had been some attempts to do some geothermal projects.

Corley: Well, only in a passive manner. I hadn't studied any of their material.

Swent: That was a little precursor to this, I think.

Corley: Right, right.

Swent: Didn't involve the same issues, but a few of the same issues. I forgot the exact dates of that, but it was a little earlier.

Corley: Yes, it was.

So we had routine stuff that came before us. It wasn't a challenge. It was just a matter of discipline, that we had a fairness standard and that we had a reasonable--and just because I was in agriculture, we were not rubber-stamping every winery that came by or everybody that wanted to do something. So we went about our business and complied with the right stuff.

Swent: Obviously, you enjoyed it.

Corley: Yes, and I think that set us up. By then, we'd had a fairly good working relationship between myself, the planning commission itself, and the planning staff. And there was a mutual respect. From time to time, we would have somebody that would show up from, let's say, San Francisco. They would come to Napa and their attitude was, "these bumpkins." And you could see right away, as soon as they made their appearance, that they were talking down to us as commissioners, or they were talking down to the staff.

The commission and the staff didn't always agree, but when somebody came from the outside and started to run down the staff, collectively one of us would say, "Now, wait a second." Or they would phrase a question in a sense that would put a stop to that nonsense. Those that came to sell us a bill of goods like we were a bunch of dummies, it was amazing how everybody became energized, and then they were in for some real trouble.

But the nice thing, in contrast to that, was the way the mine issue was presented. None of that came about, in my mind.

Swent: So people did come and appear before your commission?

Corley: Oh, yes. Whoever had the project. If somebody wanted to establish a winery, the builder, the principal, an attorney, somebody would come and say, "Now, we have this application number"--and a long number and all this business and such-and-such--"and here's all the material, and what questions do you have?" And so a variety of us would ask some questions if they were pertinent. Things were on the straightforward.

But every issue, there was a public hearing. We had people that just liked to go to public hearings. We had a couple of guys that just came all the time. And they had the standard objection or the standard speech, or you didn't have to listen to it. We had one man that appeared before us fifty times and drove us all nuts, but it was interesting. I remember remarking, "This is your fiftieth visit."

Swent: What did he want?

Corley: Oh, he always wanted something different. He was cutting trees down, he was doing this, he was doing that. Always something different. And wanted--you know, if it needed to be black, it was white for him, or if it was grey, it needed to be black. It was always something. But he was treated, still, with the same deference as everybody else, but he certainly consumed a lot of the time and energy of our group.

Swent: [laughs] So are we ready for McLaughlin now?

Corley: I think that we have sort of--

Swent: The gold was discovered there in 1978. I believe it was late '78 and then around late '78 must have been their first application process. When did you first become aware of it?

Corley: Well, I think we began to--there was information in the papers, and then there was dialogue at the county level, because there was a lot of preliminary work that went on for a long time prior to any public hearings. They had to do a great deal of work. As I recall, I think that the county staff was prepared to deal with an issue of this complexity. I can't remember a specific time that it came to my attention, but--

Swent: I think it had probably been presented before you came on the commission.

Corley: It may well have, only in the superficial level, and then we became the lead agency for Yolo and Lake [Counties], and so a lot of the hearings were here.

Lead Agency for Permitting the McLaughlin Mine

Swent: How did that come about? Who decides who is the lead agency?

Corley: Well, I think by mutual agreement. I think fortunately, I would say that the sophistication of our people at the staff level were up to this. I'm not so sure about the other people. I think it was very fortunate that we were the lead agency because it's my opinion that had this been presented in the other two counties, the hearings may still be going on! I don't think they were up to it at all in the background and the experience. I hope I don't give ourselves more credit than we deserve, but I think that frankly, Jim Hickey and his staff and our planning commission--and the conduct of the hearings, I think it made an enormous difference.

Swent: I'm sure hindsight bears you out. But I've wondered how the selection was made.

Corley: I believe that Jim Hickey and his staff had a series of discussions with these other counties, and that because of the location and the principal activity was here. But the property touched upon these other counties, and they became locations for staging sites, and we had water run-offs and we had all of these technical things.

##

Swent: So the staff, you think, had decided that Napa would be the lead agency?

Corley: Well, I think that because the central location was Napa, and that the county had the ability, the technical ability, and people to process and conduct, Napa became the logical location for us.

Swent: The Homestake office was here in Napa, which probably helped.

Corley: Right. Well, I'm sure that there was a variety of factors, but I believe that through the discussions with the other counties, it became clear that this would be a focal point. In your interview with Jim Hickey, I'm sure that he was able to--

Swent: Well, everyone just says, "Well, Napa was the lead agency," and maybe these things just don't happen that way. It seems to me there must have been some point at which somebody said that Napa was the lead.

Corley: Well, there was, and I think it was a negotiated program with these other counties, and that we had to choose one. I think, happily for everybody, for me as a challenge, for Jim Hickey as a challenge, and I think they recognized where the leadership was.

Swent: Yes, there is more sophistication here, I think.

Corley: I think that maybe is a nice way to say it.

Swent: It's interesting, the three counties have quite different characteristics--

Corley: They do, and I--

Swent: --and had different needs at that time, too.

Corley: I didn't really know--I knew of the planning staff and the commission of these other counties, and I've met the people, but I couldn't give you names now of who they are. Essentially, I just saw it as our role as the lead agency, and we were going to go ahead and do this process. Jim Hickey had organized things so that when I did my part, it was just the conduct of the meeting. It wasn't a referee thing. It was more of the chairman trying to get the sequential steps completed, and the staff presented all of that. So sequentially we just went through a series of steps for these presentations.

Swent: Can you recall what the first step was?

Corley: Well, my first recollection was Denny Goldstein.

Swent: He was the Homestake lawyer.

Corley: He was the lawyer, but he was not the first. I think that the foreman or the general manager of the project, and you'll have to refresh me on the different names, because I may have confused who--

Swent: Was Bill Humphrey one? Jack Thompson was later.

Corley: And the fellow, a good-sized man, the balding man who--we got an overview presentation.

Swent: They came to one of your meetings?

Corley: Yes. We began to hear a sort of overview, and when the first presentations were made, we did that. And then Mr. Goldstein guided us through. He was often at the--I can just picture him, because he was off to my right almost always.

Swent: But the very first presentation?

Corley: I can't specifically remember, because now it's more than a decade ago.

Swent: You say a tall, balding man. I'm trying to think--

Corley: Well, a good-sized man, and he was--

Swent: Would it have been Langston? He was an attorney.

Corley: No, it was an engineer-foreman, or engineer-project manager.

Swent: Oh. Well, there was John Ransone. I don't know either. I should know.

Corley: None of those names I recall. But I'd remember if I saw him. But in any event, my recollection is that we had these almost preliminary meetings, trying to find what's the avenue to conduct these things, and they were essentially phases. So we got some of these things started, and a big part of this was not just hearing from Homestake, because there were reams of material that they had already prepared, technically, that we read and reviewed and looked at.

The most interesting aspect for me of all this was the challenges that we were getting from people that had property around the mine. The people over in Yolo that [thought] something disastrous was going to happen to them, and they didn't know what it was, they didn't know how to describe it, but they just knew that this big project somehow was going to change their life. We would hear from the public some of the most unique explanations. It became, to me--and I'm not sure that this is all the kind of thing that you want to hear--

Swent: I do.

Corley: But I think that the dialogue that I remember the most, as I mentioned earlier, was the sophistication of Mr. Goldstein presenting the details of the project. Somehow or another, I was in tune with his presentation. I knew what he was talking about, understood the chemistry when we heard from technical people.

But the most interesting part was the public trying to challenge these men.

The Public Hearings and Nervous Non-Technical People

Swent: These were public hearings?

Corley: All were public hearings.

Swent: Or were they just informational meetings?

Corley: No. All public.

Swent: Official--

Corley: Right. Oh, yes. That should be understood in all of the discussions that I'm having, that our planning commission only met in a public forum. And when we met, the staff was always there, of course. Everything was recorded, and all those records are--

Swent: There have been implications, of course, that a lot of other things went on, but--

Corley: Well, if it did, I wasn't a part of it. And as far as I know, none of our other planning people were a part of it. I know that the mine officials had to come in and had many, many meetings with the staff, discussing the documentation that they were bringing. The sophistication of all this stuff was at a level that you had to have some technical knowledge to understand, or you had to have some sort of capacity to grasp the logic of it, even if you didn't necessarily understand the detail of the process. This is logical that A became B became C, D, E, and therefore it made sense; it was a puzzle that fit together, even if you weren't an expert in chemistry.

So the challenge for me was not to understand what the mine people were presenting, because I could understand that. It was simply hearing the public comment and challenge.

Swent: What were they afraid of? On what grounds were they challenging?

Corley: Well, I think there were several different challenges. Any number of people, in my opinion, were there to enhance the value of their property and to get the mine to purchase the property. I'm sorry to say that, and I think subsequently some people did have their land acquired. The land that they had was marginal. It had no major use. It wasn't vineyard land; it was very rough, mountain land that was adjacent to the property that the mine had acquired. But they had interests--I mean, there was the dust, there was this, there was that, there was all kinds of problems, and they were pleading their case that--I'm sure if somebody paid them a large sum of money for the land, they were gone. But they were outside that zone, so--

Swent: Let's talk about the location, because when people say "Napa County," I think most of them think of Napa Valley. A lot of people seem to think that the mine is right in the middle of the vineyards, but actually it's over the hill.

Corley: Over several hills. And it's a substantial distance from any populated area. There was really no real population.

Swent: It is Napa County, but not Napa Valley.

Corley: It's in the county, and the valley itself is an area of--the vineyards are in an area of about 35,000 acres that are in the principal floor of the valley. The county has about 100,000 residents, and very few of them live anywhere near the mining property. The property and the land in that area have been mined off and on for many, many years and had contained mercury and silver mines. It had been extensively worked over.

Swent: Had you ever been up there before this?

Corley: I had been up there. A friend of mine has a large tract of land up about--in the Atlas Peak area. He had shown me some old mines that were on his property. So I was aware of the mining, just sort of passively. So therefore, these people that had adjoining properties, it was not agricultural land. It was mountain land, and it was mining land. So in any event--

Swent: Was there any water drainage from there into the Napa Valley?

Corley: No.

Swent: No. So it was only the possible impact of air--

Corley: --into the Napa Valley. As far as I know, I don't recall that there was a major issue of this mine impacting anybody in the Napa Valley. It was Napa County, it was remote. I mean, we did fly over it one time, just as a whole group, that the planning commission was to overview the land, just to see it.

Swent: Who flew you?

Corley: I think we were flown at the expense of the mine people, so that we could have an overview and say, Well, here it is, juxtapositioned to Yolo and Lake, and this is how far it is from Napa. I mean, you had to get all these messages, and we were peering out the window looking at this. I myself have never been to the mine. I was unfortunately absent from the county on some business when everybody went over and had a--I've never been there.

Swent: Oh, what a shame. You'll have to get up there.

Corley: I've always wanted to, but I felt that when I had missed this trip, I didn't want to have the appearance of impropriety that I was being then taken over, so I may have even declined an offer which was, I think, made in all openness, but anyway, I just said I'd better not. So we did have an overview. Of course, we had extensive maps and locations. I think the biggest discussion, the longest discussions that we had concerned the process, because this mine was not the old-fashioned mine where you crunch it up. This was a chemical process and a leaching process, and we were talking about huge tonnages of material and going through a chemical process and extracting minute amounts of precious metal.

Swent: This processing plant was to be in Napa County?

Corley: Yes.

Swent: And, of course, a lot of the mine was in Napa County. And the processing plant.

Corley: Right. So the principal issue, after people realized that we're not talking about an open-pit mine, we're talking about a chemical process that leached out the materials--

Swent: Well, it is an open-pit mine.

Corley: Well, it is open-pit, but not in the sense that you put it through a grinding process. You're putting it through a chemical process. People learned that early on, of course, that the only way we can get the valuable material out of this stuff is not with a pickaxe, it's with mixing it through chemistry, and extracting. And then what do you do with the waste material? And how is the waste material going to be handled? And once we go through the open-pit mine, how are we going to redo--[tape interruption]

Swent: We're resuming after a little break here. There was a problem out in the--

Corley: Power outage.

Swent: A power outage, so we're resuming after a break here.

So you were saying that the principal problem was what to do with the waste materials, and I guess this was what they were requesting a permit for.

Corley: Right. Well, I was referencing the fact that they actually have an open-pit mine, and people could understand that. But I think that the public then began to focus on the fact that the chemical process was going to leach out the valuable minerals--the gold and silver and so forth--and was going to leave a residue. The residue was going to be put into a huge reservoir, and through various processes--there was a lot of redundant safety features in this reservoir, but the people in Yolo County that appeared before us, and obviously was a vocal group of people that had, I guess, been from the Capay Valley seemed to have been stirred up by, I assume, a well-meaning person who was worried about one part per billion and the extension of that philosophy, that that's going to contaminate the water in the wells and is going to undo the world. And I think the challenge that the planning staff, the commission, and the mine itself was to mitigate these problems and to come up with solutions that were reasonable and feasible and that an extrapolation of the circumstances would lead a reasonable person to conclude that these proposals were in fact reasonable.

So we had technical people on both sides discussing that with us, and then we had the public that had heard all of this dialogue but, notwithstanding any facts or reasonableness, had become somewhat strident and extremely concerned. And so the process was for us to fairly and patiently hear a series of speakers discussing their concerns. For the most part, many of them I don't think had ever been before a planning commission. They were nervous, they were apprehensive, they were emotional, and frequently simply weren't able to factually discuss the issue. And we felt, from a staff point of view and from what I was hearing, that the mine people had gone to a reasonable limit of affording protection. So our job was simply to hear all this dialogue.

And intermixed with that, we had a series of issues that came before us. It was not just this reservoir where everything was going to go into. It was how were we going to repair the land, and what were we going to do. And then we had a series of side issues. Those things made our meetings most interesting and undoubtedly extremely frustrating to the applicant. [laughs]

Swent: What were they?

Corley: Well, they were just a series of people that came up with some of the most unique questions.

Swent: Do you want to mention names? Or do you remember--

Corley: Oh, no, I don't remember their names. I just know that, for the most part, the uniqueness came from people that had property adjacent to the mine land.

Swent: As lead agency, this meant that you were hearing people from the other counties as well?

Corley: Right. In particular, we did have a meeting in Yolo that Jim Hickey and I drove over to attend. For the most part, the meetings were in Napa, and people came over to attend our meetings. These things went on for months.

Swent: Yes. [laughs] I just might put in this little item from the *Woodland Daily Democrat*. This is December 8th, 1983, and I'm quoting: "Commission Chairman Jay Corley, who has made little effort to hide his impatience with the persistent Capay Valley residents, suggested if the dust is going to fall on Capay Valley, Napa County is not in a position necessarily to monitor that."

Corley: Well, that's interesting. I had never seen that, or never have heard that before.

Swent: You were speaking, it said, to Grace Tindell.

Corley: Oh, yes. Now I remember that name. Well, I think what happened was that after months and months of this exercise, we had people making emotional statements that factually we could not substantiate, and that after hearing and rehearing and rehearing these things, it became a standoff that simply, some of the people, it didn't make any difference what we did as the planning staff or as the planning commission, nor it made no difference what the applicant said, simply there were people that didn't want the project to go forward for personal reasons that had nothing to do with the fairness of the issue.

I had thought that we had a few people, and maybe this particular lady you referenced was one who repeatedly and repeatedly tried to bring something forward. But it wasn't factual, and it wasn't something that we could quantify nor mitigate, and it did not appear to be an issue that was overriding in the sense that it would have an extraordinary impact. It wasn't going to spoil the apricots, their local fruit trees.

I am glad in hindsight now, as far as I know--and this is now a decade later--we did not hear back from any party, to my knowledge; there has never been major issues where any environmental injury has been caused. In hindsight, I think this is delightful to have this interview because what we did, I think, served the owner of the property, the applicants, the public, and the project has now been completed. I guess the final restoration may still be going on, but--

Swent: Yes, well, they're still mining, but they've begun the reclamation.

Corley: Right. So I think that it could be that decades from now we could revisit this, but I believe that we have enough sophisticated material systems in place to now know that we did take reasonable precautions to protect the community, and that because of the lead agency, we weren't arbitrary about our colleagues in the other counties. The process that happened in this application of Homestake is the same process that we have in every application. We have one or two people that for some reason or another raise issues that are worth knowing about and we need to respond to. And once they have been acknowledged and discussed and a reasonable conclusion is made, then you move forward.

So because of the size of the mine project--we have three counties; we had hundreds of people that could have impacts--we just had to hear all of those. And after a while, the repetitive nature of these questions became--they were self-serving on the speaker's point, for the most part, and I think that technically, the applicant did meet and mitigate. Our county was very much aware of, and the staff was very much aware of, the sophisticated nature of this project and caused the applicant to put in the safeguards that were necessary.

But it didn't mean that we were able to convey those answers. I don't say that we were intellectually tuned in or that there was any communication. I was never really communicated with by the mining people in any way except through a public hearing. I had no meetings, I've never been to the mine, I never met with any of the people outside the meetings. I saw them as all very professional. And I enjoyed every minute of the challenge, because it was a good challenge to our thinking process and to carefully listen to what was going on.

But for the most part, it was the dialogue of interested parties that brought the newspapers to write maybe a little something as they did, because essentially the dramatic economic impact of the mine became--it was very newsworthy. It was not only local news, but it was national news, of a gold mine. How many times do we have gold mines that are established and organized?

Swent: Napa County got the bulk of the taxes.

Corley: We did, but you know, I was just about to remark on that, that never in my discussions--I don't remember specifically, and I'm sure the record will show that I did hear, but I don't recall at the moment now--what this meant to Napa. I never had a supervisor talk to me. I was never interviewed by the newspaper to discuss--in any depth. I mean, after a meeting, a reporter might come up and ask a question. So I was very mindful of the implication, the economic impact, but I don't know what the dollars were even today.

The *Napa Register* a Fair Reporter

Swent: Would you care to comment on the role of the press?

Corley: Well, I think we're a small community. Napa is a town of 50,000 people. We've had the *Napa Register* here for a long time. As a matter of course, there was a newspaper person present at every meeting that we had, as a matter of course, and that during the application for the gold mine, when it first became newsworthy, it was a page-one issue.

##

Corley: So the press, I think, was an excellent vehicle to share the news with the community. And I think the press did a pretty darn good job at reporting the economic impact, of saying that, "Boy, this is going to be something significant here. This is very newsworthy because of its size, because how often do you have these?" They would report about the meetings themselves, and then that there was the critical issue of the waste material and how are we handling them. A series of things like that. So I think the press was very helpful and informed our people here in Napa County, in any event, about what was going on.

We were well aware of the fact that the mine was so far away from the main industrial and farming area. It could be that people in adjoining counties didn't realize that, and very likely when the byline came out around the country and it said "Napa," people would think of, "Oh, my gosh, it's right here." But in fact, as I recall, when we flew over the property, it took us twenty-five minutes to get there--by air. So, pretty rugged terrain.

So I think the press, to answer your question, as I recall now--and I'm talking about the Napa press. I never realized or saw that quote that you made earlier, Eleanor. But they did a good job, and I think they were helpful to share information and to make the public hearings. They then reported them in the paper, so that people could read them. And we would have fifty or sixty people at a hearing. We'd have twenty-five people from Capay Valley, and we'd have ten people that had the adjoining property to the mine's, and then we'd have those that just loved to come to the hearings.

So we would only have fifty or sixty people at any one time appear in public, so the translation of those meetings in the newspaper or on KVON radio disseminated the information, and I don't recall that I ever heard any particular dialogue that indicated an unfairness.

Swent: Do you recall, there was an issue that the press got into later. You permitted--the mine got the permit--

Corley: Yes.

Swent: --to deal with its own waste, and then there was an episode later when they brought some waste over from the Empire Mine, some tailings from the Empire Mine in Grass Valley? And the chemistry of those--they were toxic.

Corley: Yes.

Swent: And the chemistry was such that they improved the mix here at the McLaughlin Mill. But then there was an issue that they had not been permitted to deal with those wastes. Do you remember that?

Corley: I guess that that was after my time.

Swent: Probably it was.

Corley: I don't recall that. And again, the public is forever watchful, and it's just amazing how somebody is reading and hearing and then brings things forward. I think that's the American process, and whatever came of that, undoubtedly, I can see from a business point of view, Gee, this is the practical thing to do and so forth. But somebody that is an adversary there will bring these things forward, and it just reminds us that what we think is normal maybe in one course of activity, somebody else sees it completely differently. But I can't respond to that. I could see how it could happen, particularly if those people--and I think there were people that were never happy with our decision. I'm only grateful that so far, time indicates that no one has been damaged that I know of and in fact, we've all benefitted from the commerce of this.

Swent: You haven't personally been attacked for your stand in it?

Corley: No, I've never heard anything further. I actually think we did a very efficient job. I've repeated that theme this entire interview. I don't think it's self-serving. I think essentially it was truthful, that I understood the process; I knew what they were talking about; everybody got a fair hearing. I can remember some man getting up and talking about some technical reports, and I had to interrupt him because I had run a public corporation. I knew what these reports were, and I said, "I'm sorry. This does not apply." And I remember happening to glance at Mr. Goldstein and it seemed like a sigh of relief came over him, because I understood what this guy was trying to say, and it had nothing to do with the application. It was one more bit of smokescreen.

But I don't think that my colleagues on the panel would know what that 10-K was or whatever the report was now that I remarked about. And that's what made it interesting for me. It just seemed that it was--I looked forward to going, because it was stimulating. It made us think, and I think that's the challenge of being involved, was making you think and using something that, you know, my chemistry--I hadn't thought of some chemistry for twenty-five years.

Jim Hickey's Outstanding Job

Corley: Our staff, Jim Hickey's group, I think, just did an outstanding job. I really hope that when you talked to Jim that he had a chance to elaborate on this, because I think that he should get a lot of credit from--we didn't push this thing through. That wasn't the point that I'm trying to make. It is simply that we heard it, evaluated it, mitigated the problems, served the public's interest by hearing all their dialogue, and concluded that the application was fair and reasonable and proper, and they should go ahead.

I think that's probably a summary of how I feel about it.

Swent: You might be pleased to know I went up to Seattle last week to a seminar on mining and the environment, and one of the speakers was Brock Evans from the National Audubon Society. One of the people in the audience, not I, but someone questioned him and said, "Is there any mine in the country that you people would approve of?" [laughs] And he said, "Yes, the McLaughlin Mine in California is one that we approve of." Of course, I was pleased to hear that singled out.

Corley: Well, that's nice to hear that. I think that, for the most part, it was our planning staff that did it. It was not the commission. The commission only had a fair hearing and decided where the nuggets and the kernels were, and where the public was served, and where the public was trying to abuse the process. I think that the planning staff--but more importantly, it never would have worked had the application been one of these applications that might have been made twenty-five years before, where they were--you know, it was not a cavalier attempt. It was a quality effort, and there was an awful lot of patience. And I think that from all the years of apparently doing these kinds of things, the Homestake people knew that it made a heck of a lot more sense to get everything in line and do it right. There wasn't much to argue about. It was only extending the courtesy of letting everybody vent their feelings and get it out, because we did not dream up a lot of mitigation. It had already been worked out, so that once the planning staff and the applicant completed all this stuff, we marched forward consistently.

I think that makes it so much better. I don't know what other applications and processes the Homestake people have done since but I really think that that's the way it should be done.

Swent: I think other companies have copied this as a model.

Corley: Frankly, I think that one of the most skilled--and you're not here for this purpose, but I think that Mr. Goldstein was very skilled in dealing with some people that well could have been not able to grasp all of this stuff, and so we didn't have theatrics, and we didn't have anything more than a very steady, consistent--and I think the best thing is that they knew they were coming from a good, solid position. So that made it easier for me. Once I had the feeling that the company wasn't trying to slide anything by, then the subject was, Did our staff mitigate things?

My level of sophistication got more and more comfortable that the staff, Jim Hickey and his people, had really done a good job. So my effort is not to try to praise everybody, but I just think it was one of those things that worked well. I felt that that was the highlight of my four years (as a chairman), because it was such a complex issue. I speak about it enthusiastically and with satisfaction. I'm really pleased to know that so far, history seems to support the conclusion that we did a good job.

Swent: I should say that the our statement of goals for this project of documentation says that it is a model of resource development, because it has been copied in other places.

Have you continued with any political work? Have you been on any other commissions?

Corley: Well, no, I have not. I've never wanted to run for any position. I have continued to serve on a variety of boards. I was on the fair board which the governor appointed me to for several years, and I'm on the college board.

Swent: The state fair? Or Napa County?

Corley: We have our own fair board here for the-. So I continue to do things like that, but in the last few years--

Swent: And college board, you said?

Corley: Yes, the Napa College. I didn't want to serve on the museum board here in the county, but I did try to serve as an advisory person for a while. I have been on the Museum of the Sea board with Jacques Cousteau in Long Beach, and have been on the advisory board for the California Museum of Science and Industry. So all of those projects I sort of tried to go on.

But in the last few years, life as a farmer here in Napa Valley has really been tough. It's been particularly tough for us because of the phylloxera problem, which has done in about 75 percent of the vines of the valley, or will do it in. It unfortunately is a huge economic problem for us here in Monticello and for other people in the valley. It appears to be a $600-, $700-, $800-million problem, just in the county alone, to replant these vines. So my attention has been turned away from some things.

The Phylloxera Problem in the Vineyards

Swent: Have you had to take up all of your vines?

Corley: Well, slowly but surely they're dying, and so we have to take them out. We've been interrupted a little bit today by the fact that I've been discussing a real estate matter, which is essentially the sale of part of this property so that we reduce some of our obligations to replant. It's just--

Swent: Very painful, I'm sure.

Corley: It sure is. I mean, it's like your children. Parting with some of the land is not easy, but in any event, it's what you have to do.

Swent: We didn't speak of land values, but I'm sure that they improved after you bought your land.

Corley: Well, they've gone steadily up, because the demand for the land has been pretty strong, as the interest and the demand for wine has grown, the high quality wines. And in Napa County, we have a limited amount of land that can be farmed for grape purposes, and we've probably already reached that. It's about 35,000 acres of land that are farmable for grape purposes. They've all been spoken for, and they're now being planted and replanted to resistant rootstock to get around this phylloxera issue that's attacking AXR-1 rootstock. (That's a technical name for the root.) And apparently, the root louse likes that flavor, so to speak, and it likes apples but won't bother oranges. Unfortunately, 75 percent or so of the valley is planted with that rootstock.

There's no known way to eliminate this, other than pouring on some illegal chemical that will not only kill the plant, the louse, and sterilize the soil, and then you might not be able to plant anything. So the answer seems to be to plow the land up, as you've noticed maybe driving around the valley. You see they're bundled up, and we're now burning--we're not burning to kill the disease. It's an agricultural burn. And if you come back on next Monday, you will see a big bulldozer right across our main entrance road here, plowing up our land to get rid of the old vines and start anew.

Swent: How many years does it take them to--?

Corley: Well, it will take about five years to get back into some real production, and it takes eight years to probably get the vine reasonably mature, and then it takes several more years before the mature vines start producing mature fruit. So essentially it's almost a ten-year cycle between the time you start and the time you start getting fruit of the character that we prefer to use.

Swent: So you had really only just reached maturity.

Corley: Right. Although the vines, some of them are twenty-five years old. By the time it gets from the vine to the wine to the public, you can have easily twelve or thirteen, fourteen years between that gap.

Maybe I can ask you a question. You've been asking me a lot of questions.

Swent: Sure; of course.

Corley: The project is going to take a variety of these interviews and then collectively put them into a factual report that will be housed at the--somehow or another, there's going to be a collective of these interviews?

Swent: Right.

Corley: That will be condensed into some sort of a--

Swent: No, it's not going to be condensed. The interviews will be transcribed, and yours will be sent back to you for review, and then they will all be simply compiled and indexed. We think it will be at least three volumes when we're through.

Corley: And it will be available, then, for--

Swent: Yes, they're source documents, manuscripts.

Corley: Oh, good.

Swent: They're not reworded.

Corley: I see.

Swent: Then other people will come along and refer to them and use them.

Corley: I see. Will use them, right. So somebody who wants to write a Ph.D. is going to--

Swent: We hope so.

Corley: Yes. Well, that will be interesting.

Now, in the valley, I know you've talked to Jim Hickey.

Swent: I talked to Jim Hickey, and I interviewed Harold Moskowite, briefly. He wasn't very forthcoming, actually.

Corley: Well, I don't think that he--he was not involved in the process too much.

Swent: So I didn't have a long interview with him. That's really it so far. I'm hoping to interview some others. Whom would you suggest?

Corley: Well, I only wish that Cliff Lober was here to interview.

Swent: We're always too late in this business.

Corley: Well, that's unfortunate, and I don't know how you could--

Swent: There's always someone that you just wish you could have interviewed.

Corley: I do know that, and probably Jim Hickey told you, and I don't know how they're available, but these meetings were all recorded, so all of those recordings have got to be available. We had them all taped, and I'm sure the county has them in some fashion. I think that the other members of the planning commission, some of them, could remark about this, and maybe some specifically. But Mr. Lewis has passed away.

I think Homer Denton would be a possible candidate to talk to, because he's a fellow that would recall this. He lives in St. Helena. He might offer a perspective as the nonchairman, because I was really focused on the speaker, and he might have seen the by-play and then other things that go on, because I had to really pay attention for three or four hours at a crack, while we were having these--well, we would go from, like, 1:30 to 3:30 and then have a little adjournment, and then we could go on to 5:00. So it could be that maybe somebody would have another--.

Doug Ernst, who is the newspaper man with the *Register*, might be a source for you to talk, because I think Doug was the reporter at the time, and if he wasn't he would certainly be able to direct you. The *Napa Register* has their offices in Napa.

Swent: I know where it is; I have been there.

Corley: And Doug might be--again, he saw it from the newspaper's side.

Swent: I went there and went through their clippings. They have a scrapbook of them. I went through some of the years of clippings there.

Corley: Well, maybe his byline appeared, and if you have it, you could look to see if he in fact was.

Jim Hickey would be a resource, again, to talk with him because there was a--I can't say his name, but there was a fellow that worked in the department who, I think, spent full-time on this project. I think an able guy that I liked from the discipline that he provided. I think he's still there, and he might be able to give you the other side of whatever Jim Hickey had to say. Not in contrast to Jim or not--but he was a guy that I think did a lot of the work. But Jim is so meticulous that Jim probably knows--what you've heard from him is, I think, the last word. But this guy might also be a resource for you, depending upon the time and the extent, because I really think that he just spent all his time on this thing for a year or more. And a good man.

Swent: I'm glad to have your assessment of Jim Hickey, because he was, of course, very modest and wouldn't have said these things about himself that you've said.

Corley: Well, I think the county was just so darned lucky to have him.

Swent: Did you have dealings then or associations with the planning commissions from the other two states--counties, I mean?

Corley: They probably were like other states. [laughter] No, I think we met with them, and we had maybe a joint meeting with--

Swent: You carried the load, really, yourself?

Corley: Yes, I don't know whether I was so focused on all this or so taken up with it, but anyway I didn't notice them. I knew that we were in charge and we were doing it, and felt very qualified with our ability to deal with it and with our ability of the staff. I've repeated myself any number of times about that, but I think that they did a great job.

Swent: It was kind of a lull--I suppose maybe that's the word--when Yolo County's planning commission rejected the impact report. Had they accepted it, the whole thing would have gone through much faster.

Corley: I see that as a vocal minority. Now, one of the things that's a problem with a planning commission is that when you sit and hear an issue, and you find out that you've got five people that jump up and that are very vocal and they're very unhappy, but you may have 10,000 people that haven't--that there's no complaint. So the thing that I tried to always keep in mind was that there were so few people complaining--and I'm talking about the general four years that I was there--that came forward. And so often, it was emotional; it wasn't factual.

I think that many smaller bodies, such as planning commissions, or hearing groups, or even boards of supervisors and city councils--you know, ten people show up and they make a big clamor, and all of a sudden somebody panics, and they forget what is right here. What is the proper thing to do? I concluded that we were dealing with very professional people, and I concluded that, from all the meetings that I had with these people, that when they had something to say, I carefully listened to that so that I could understand what they were saying, and if I understood it, then I could deal with these folks that came in with nonfactual things.

I think that Yolo just got caught in a stampede of people milling around, a loud minority. And we weren't going to be taken in. But I would say that Jim Hickey and, independent of myself, if Jim and his staff thought that this thing was not good, it would have been very difficult to get it by. And I would say, independent of that, if I felt the same way, I don't think I would have the same impact as the chairman, but it would have been a lot longer process. But since I didn't have that feeling, I think we moved along at the proper pace, giving credence to those who wanted to speak and those who needed to speak and re-speak and re-speak again.

And then we reached the point where we had--there were various steps, and maybe Jim discussed that or the record will show that we went through these various steps in the hearing, and when we finally got to the end of the line, we had heard and heard and re-heard, and we could then make a conclusion.

The Governmental Process Worked Fairly for All Parties

Swent: Everyone had had his say.

Corley: Had had his day, and had his say, right. I'm kind of glad to know that somebody is going to do this, because it brings back a very nice recollection of, I think, the governmental process working, and working fairly for all parties. I think that's all we got out of this, is that the public, the county, and the applicant all got a fair process.

Swent: The system worked.

Corley: I think it did.

Swent: It's nice to know that it does.

Corley: Yes. So thank you, Eleanor, for taking time to visit with me.

Swent: We're just at the end of our tape, and I think we've come to a very nice point to end it, haven't we?

Corley: Thank you.

Swent: I really appreciate your giving me the time, Jay. Thanks so much.

Transcriber: Mim Eisenberg
Final Typist: Shana Chen

Regional Oral History Office
The Bancroft Library

University of California
Berkeley, California

Western Mining in the Twentieth Century Series
Knoxville/McLaughlin Project

William H. Cornelison

SUPERINTENDENT OF SCHOOLS, LAKE COUNTY

(Includes an interview with John A. Drummond,
Lake County Schools Attorney)

Interview Conducted by
Eleanor Swent
in 1995

Copyright © 1998 by The Regents of the University of California

William Cornelison, Lake County Schools Superintendent, 1996.

TABLE OF CONTENTS--William Cornelison

INTERVIEW HISTORY 258
BIOGRAPHICAL INFORMATION 260
I EXPERIENCE BEFORE COMING TO LAKE COUNTY 261
Education in Southern California 261
Principal of the Vacaville, California, High School 262

II MIDDLETOWN, CALIFORNIA, 1979 to 1986 264
Superintendent and High School Principal 264
Forming Middletown Merchants Association 265
Hidden Valley Subdivision 265
The Impact of the Geysers Geothermal Steam Development 266

III JOHN DRUMMOND, LAKE COUNTY SCHOOLS ATTORNEY 272
Homestake's Mitigation Agreement with the Schools 272
Jack Thompson's Skill at Getting Community Support 273

IV SUPERINTENDENT OF THE KONOCTI SCHOOL DISTRICT, 1986 TO 1994 280
No Noticeable Negative Impacts from the McLaughlin Mine 280
More Parental Support for the Schools 283
The Parker Family, Very Supportive 284
Homestake Funded a Program to Increase Parent Involvement 287
Why People Like to Live in Lake County 291
Bill Wilder, Friend of the Schools and Lake County 297

INTERVIEW HISTORY--William H. Cornelison

William Cornelison was high school principal and school superintendent in two Lake County districts, Middletown and Konocti (which includes Lower Lake) from 1979 to 1994, when he was elected as Lake County superintendent of schools. He was thus in key positions to witness the impact of the construction and operation of the McLaughlin Mine on the schools and surrounding communities. He was invited to participate in April 1995 and interviewed in his office in Lakeport on 5 May 1995. A brief supplementary interview with John Drummond, attorney for Lake County schools, was included.

When Cornelison went there in 1979, just after the discovery of gold at the Manhattan Mine, the Middletown school district had about 300 students and served a community of about 1500 people, most of whom were involved in agriculture. By 1986 when the mine was in full operation the school population had quadrupled.

Drummond represented the county in the negotiations to determine how much Homestake should pay for mitigation of the mine's impact on the schools, and he says that "over the years, Homestake Mining Company made payments to the school districts in the amount of approximately $741,000 total over the years, based upon the number of students that enrolled in the school district as a result of the mine going in." Of the negotiation process, he concludes, "Homestake was a joy," in contrast to some other companies with which he had comparable dealings.

Cornelison discusses the effects of the mine in broader terms than increased revenues. He knowingly evaluates the socio-economic situation in Lake County before and during the McLaughlin Mine period and gives credit to the Homestake presence for increased numbers of college-bound students and increased parent involvement in the schools. He points to Homestake's provision of instructional materials and training programs for teachers, especially in the sciences, and for field trip opportunities at the mine, which improved the quality of education.

The tapes of the interview were transcribed in the Regional Oral History Office, lightly edited, and sent to Cornelison and Drummond in May 1997 for review. Cornelison made some deletions and a few additions for clarification and returned the transcript promptly. Drummond approved his brief interview with no significant change. The manuscript was corrected and indexed at our office. The tapes are deposited in The Bancroft Library and are available for study.

The Cornelison interview is one of more than forty interviews which were conducted by the Regional Oral History Office from 1993-1997 in order to document the development of the McLaughlin gold mine in the Knoxville District of Lake, Napa, and Yolo Counties, California, from

1978-1996, as part of the ongoing oral history series devoted to Western Mining in the Twentieth Century. The Regional Oral History Office was established in 1954 to record the lives of persons who have contributed significantly to the history of California and the West. The office is a division of The Bancroft Library and is under the direction of Willa K. Baum.

Eleanor Swent
Project Director, Research Interviewer/Editor

Regional Oral History Office
The Bancroft Library
January 1998

Regional Oral History Office
Room 486 The Bancroft Library

University of California
Berkeley, California 94720

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name WILLIAM H. CORNELISON, Ph. D.

Date of birth 4-18-36 Birthplace SAN BERNARDINO, CALIF.

Father's full name JARRETT M. CORNELISON

Occupation Car Inspector, Santa Fe Ry. Birthplace MARLIN, TEXAS

Mother's full name IDA A. HEDRICK

Occupation Housewife Birthplace INDIAN Territory

Your spouse DENISE L. CORNELISON (WERTHMAN)

Occupation Registered Nurse Birthplace SAN LEANDRO, CALIF.

Your children KARI DIENER, John Dodson, JON CORNELISON
& KRISTI CORNELISON

Where did you grow up? SAN BERNARDINO, CALIF

Present community Cobb

Education BA & MAT - University of San Diego
Ph. D - U S INTERNATIONAL UNIVERSITY

Occupation(s) COUNTY SCHOOL SUPERINTENDENT

Areas of expertise Education - School Facility

Other interests or activities Boy Scouts & community groups

Organizations in which you are active CLEARLAKE ROTARY SEVERAL Boards of community organizations - CHURCH GROUPS

Regional Oral History Office
Room 486 The Bancroft Library

University of California
Berkeley, California 94720

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name JOHN ALAN DRUMMOND

Date of birth 5/28/44 Birthplace Albuquerque

Father's full name JOHN PAUL DRUMMOND

Occupation FORESTER Birthplace KINGS CANYON, ARIZONA

Mother's full name LAVERNA BENNETT

Occupation SOCIAL WORKER Birthplace THATCHER, IDAHO

Your spouse SUSAN PENELOPE YOUNES DRUMMOND

Occupation TEACHER Birthplace DETROIT, MICHIGAN

Your children SHERRY LYNN DRUMMOND WEBBER

Where did you grow up? ARIZONA, MONTANA, IDAHO, WARM SPRINGS OREGON, NESPELEM, WASHINGTON AND PORTLAND OREGON

Present community LAKEPORT, CALIFORNIA

Education JURIS DOCTORATE - LOYOLA UNIVERSITY SCHOOL OF LAW

Occupation(s) ATTORNEY

Areas of expertise GOVERNMENT LAW, SCHOOL LAW, SPECIAL EDUCATION LAW, CONSTITIONAL LAW, LABOR LAW, EMPLOYMENT LAW, EMINENT DOMAIN, CIVIL LITIGATION, CONTRACT LAW, LANDLORD/TENANT LAW AND ADMINISTRATIVE LAW

Other interests or activities WALKING, BICYCLING, SWIMMING, HIKING, CAMPING, PICNICING AND GRANDCHILDREN

Organizations in which you are active UNITED METHOD CHURCH

I EXPERIENCE BEFORE COMING TO LAKE COUNTY

[Date of Interview: May 5, 1995]##[1]

Education in Southern California

Swent: We're interviewing here in the offices of the Lake County Board of Education, and I would like to talk about how you happened to end up here. You are a Californian, you said.

Cornelison: Born and raised in San Bernardino in the southern part of the state. I'm in this position because I was elected in June of 1994 to the position of County Schools Superintendent for Lake County.

Swent: Let's get your educational background, too, if you don't mind, before then. Where did you go to college?

Cornelison: I was down in San Diego. I attended the University of San Diego, where I received my bachelor's degree in 1960 in philosophy and in history. I then continued on at the University of San Diego for a master of arts in teaching, with a double major in education in and history. I then continued on and went to U.S. International University at their campus in San Diego, where I completed a doctorate, Ph.D., in educational leadership and human behavior. And that would have been in about 1973. In addition to that, I have attended classes and taken courses at UCLA, at UC San Diego, San Diego State, Immaculate Heart College, University of Redlands, various assorted colleges up and down mainly in the southern part of the state.

---

[1] This symbol (##) indicates that a tape or a segment of a tape has begun or ended. A guide to the tapes follows the transcript.

Swent: Were you teaching as well as getting into administration?

Cornelison: Well, yes. I started my career as a teacher at University High School in San Diego, where I taught history and English at a high school and was there for several years and became a counselor there and ended up becoming principal of that school. And I was there until 1973, at which time I decided to move to northern California.

Swent: What led to that decision?

Cornelison: Oh, I don't know. San Diego is a delightful place to live, but it was becoming more and more of a major city, and I just kind of thought that it might be nice to get into a different environment. For a short time after I left the high school, after I got my doctorate, I taught at the University of San Diego. I was in their Graduate School of Education and was working for various student teachers, and I just basically felt that at the time I would like to get back into school administration again. It was more rewarding to me to get back where the students were. I was employed as principal at Vacaville High School in Solano County. Served there for six years.

Principal of the Vacaville, California, High School

Swent: What years were those?

Cornelison: That would have been 1973 to 1979, June of 1979.

Swent: You were principal of the high school.

Cornelison: Right, Vacaville High School in Solano County. That was a high school of around two thousand students.

Swent: Were lots of changes taking place at Vacaville at that time?

Cornelison: Oh, yes, there was. The city was growing very rapidly. We still only had one high school, and we had to do grade level rearrangements to accommodate all the students. There were certainly socio-economic changes occurring in the community that needed to be addressed, so it was an exciting time to be there.

Swent: I would think so. What are the factors there, the military?

Cornelison: The military. Travis Air Force Base was a major factor that influenced Vacaville, and I think just being on a freeway, Interstate 80. The north part of the city was the older part of the city, and then new development came in towards Travis on the south part of the city, and you found the freeway kind of split the city in half, and so you had to deal with new people moving in who perhaps were not a part of the community that was there originally. So the whole identity of the city was a major issue we all had to work on.

The schools were a part of that, I thought. We opened new elementary schools in different areas of the city. The racial population was beginning to change. There was migration from the East Bay area toward Sacramento. Fairfield had gone through a lot of changes, and Vacaville was also going through changes. So it was an exciting time.

II MIDDLETOWN, CALIFORNIA, 1979 TO 1986

Superintendent and High School Principal

Cornelison: Then I decided that I wanted to become a school superintendent, so I looked around. A vacancy occurred in the Middletown unified school district, which was in Lake County, and I interviewed for that position and was employed by the Board of Education starting on July 1, 1979. At that time, I was both superintendent and a high school principal. You can imagine the change to go from a high school of 2,000 students to a high school of about 170 students.

Swent: Did you live in Middletown then?

Cornelison: I did. I moved to Middletown.

Swent: Do you have a family?

Cornelison: I do. I am married. We have a total of four children, and the oldest is now married and lives in Lower Lake.

Swent: Were they in the schools then?

Cornelison: Yes, they were. They were all enrolled in the schools at the time that I came.

Swent: The oldest at that time would have been in high school?

Cornelison: Yes, let's see. When I came to Middletown, the youngest wasn't born yet, so the oldest would have been, I think, in fifth grade. She graduated from Middletown High and is now married and lives in Lower Lake. And then we have two boys, both of whom are in college now, one in Sacramento and one up at Mendocino College in Ukiah. And then I have a daughter who will be entering the tenth grade this coming year.

Swent: Here in--

Cornelison: Yes, Lake County. She's attending Lower Lake High at the present time, in the ninth grade.

Swent: So you became very much a part of the community then, I gather.

Cornelison: Oh, yes, yes. You don't have much choice here in Lake County. It's a small community and as school superintendent you very much become involved in the life of the community.

Forming Middletown Merchants Association

Swent: What sorts of things did you do other than--we'll talk about your work in a minute, but was there a Rotary Club or that kind of thing?

Cornelison: Well, yes. The first thing, I guess--you're talking about the Middletown community, right?

Swent: Yes.

Cornelison: Well, I worked with local business people to form the Middletown Merchants Association, and I was the first president of that organization. It was like a mini-Chamber of Commerce to promote the interests of the local folks that had businesses in Middletown.

Swent: What was the population of Middletown at that point?

Cornelison: Oh, I would say it was probably about maybe twelve hundred to fifteen hundred people.

Hidden Valley Subdivision

Swent: Mostly local farmers?

Cornelison: Yes, agricultural people pretty much. A few commuters from Napa County. That was just when Hidden Valley was beginning to grow. When I first came to the district we sent a bus out to the pro shop at the golf course, and picked up about five children. Now they have a full school of three hundred children out in Hidden Valley, so what was originally intended to be a retirement center basically became single-family homes with families moving into them.

Swent: At that time they commuted from there to Napa?

Cornelison: Some did, and others worked in the community, and some worked up at Lakeport and Clearlake. Hidden Valley is a major subdivision in the south end of the county. There was a lot of growth in Middletown in the six years I served there as superintendent, and we built schools. We built the Cobb Mountain School.

Swent: That was an elementary school?

Cornelison: An elementary school, right. K-5 [kindergarten through fifth grade]. During that period of time, the economy, the whole structure of Middletown, was influenced tremendously by the geothermal industry. The geothermal industry brought new life and a lot of new people into the community and was probably the most singular impact on the Middletown community.

The Impact of the Geysers Geothermal Steam Development

Swent: Now, explain that a little bit. These were geysers?

Cornelison: The geothermal, the geysers, which is based upon the Mayacamas Mountains which run between Sonoma County, Lake and eventually Napa County. Had been the traditional source of the geysers. When it became clear that geothermal steam was an economical way to produce electrical energy, then Pacific Gas & Electric began to look more and more for power plants in the area. The major oil companies were the ones who drilled for the steam and produced the steam, sold it, and then turned to the utilities, who built the power plants with the turbine to turn it into electrical energy.

When I first came to Middletown, the industry was just beginning to start moving, and they moved extremely rapidly. They built about thirteen to fifteen power plants there. With each of those power plants being constructed, there was mitigation for the schools. I worked closely with the Energy Commission in the permitting process for each of the power plants.

Swent: This was the state?

Cornelison: Yes, the state Energy Commission, which was the regulatory agency for the construction of power plants. And were able to achieve good mitigation to help the schools.

Swent: In what?

Cornelison: Basically in facilities. They were able to give us funds, since they were severely impacting. They brought lots of people into the community.

Swent: Now what people were--

Cornelison: Three different kinds or groups of people, I would think, generally. There were the drillers, the people who actually were there working with the oil companies, drilling for steam. These were permanent people. They would go from one site to another site, and several companies--I can't remember all the names offhand, but--

Swent: I think AMAX was one.

Cornelison: A lot of new businesses got started in Middletown. Pipefitting, for example, and a lot of welding positions became open. They looked for local workers to help them, obviously, but they had to import a lot of people because Middletown was obviously a very small community, and the county was a relatively small place. So the drillers were one major group.

The power plant construction people were a second group, and then there were the engineers and the PG&E people, the energy people, who came in basically and managed and operated the power plants and controlled the grid and produced electricity. Many of those people were Lake County people that were retrained for these positions, and a lot of folks moved into the area, and some existing people were able to get new jobs. It was a major, major thrust there.

Swent: I sense that you're saying that a lot of these people moved in to stay.

Cornelison: Right, yes.

Swent: That's interesting because my thought about drillers was that they came in, worked for six months, and then left.

Cornelison: Well, yes. That eventually ended up happening, when they decided that they had pretty well capped out most of the steam. But before that happened, there was a good ten-year period of time, and many of the people lived in the Cobb Mountain area. I live in the Cobb Mountain area, and I've been up there for about twelve years now. I moved out of Middletown up to Cobb. Many geothermal workers live there, on Cobb. Several have moved out now, and those homes have been sold or placed on the market.

And the District built the Cobb Mountain school, mainly to accommodate all the new children that were living up at the top of the mountain. It basically saved us the money then to bus them all the way down to Middletown. So it was an exciting time. And it was during that threshold of growth that Homestake came into the area. So that kind of brings us back to the point here.

Swent: Let's explore this a little bit more. When you say you built a school, this is not only a building but you had to staff it as well.

Cornelison: Yes. The enrollment in the school district grew from about three hundred to sixteen hundred students in the Middletown district at the present time. Two hundred and fifty-four are enrolled at the Cobb Mountain school.

Swent: This is twenty years.

Cornelison: Right. We had one school located in Middletown. The elementary school and the high school were both right together, actually two schools on the same site. Now they have one, two, three, four, five schools in the district, so it's grown considerably.

Swent: What is this little book?

Cornelison: This is the directory of all the schools in Lake County. Gives me a lot of information about the seven different districts.

Swent: How did you go about hiring teachers? Were there local teachers?

Cornelison: No, we recruited from outside the county. Brought a lot of people in.

Swent: Did some of these employees have wives who were teachers?

Cornelison: Yes, some did. There were a lot of them that were involved. Homestake had a major impact on education from that point of view, too, now that you remind me.

Swent: And I'm thinking--

One of the things that I keep running across in newspaper accounts and so on was that there was a lot of resentment locally because the Geysers project imported workers and did not hire locally.

Cornelison: Yes.

Swent: This is the perception, evidently, on the part of a lot of people. It was brought into the union argument in some way, that Homestake was required to build in a local hiring quota because Geysers had antagonized people by not doing it.

Cornelison: That could have been the motivation. I know Homestake made that commitment to the community.

Swent: And I think there was a lot of contracting done with the Geysers.

Cornelison: One of the major problems with the Geysers, the access to the geothermal was through Lake County, but everything was controlled in Sonoma County.

Swent: Oh, maybe that was it.

Cornelison: The businesses that hired the people, the oil companies, all had offices in Sonoma County. Unocal and Aminoil at the time. (It later became something else.) They were all Sonoma County operations.

Swent: Okay, that was it, because the Lake County people felt left out of that.

Cornelison: Yes, but many of the residents that worked, lived in Lake County because it was easier, but their paycheck came from Sonoma. I remember at that time I was involved with the United Way, which was a Sonoma-Mendocino-Lake County, three-county operation, and they used to always give us the numbers of the amount of money they were getting from Lake County, and I always maintained it's a lot more money than that because the payroll from Sonoma County oftentimes includes people who live in Lake County and they work for the Geysers. Because most of the United Way contributions tend to be payroll deductions. That reminded me of that.

And a lot of people, I think, that certainly moved into the area at that time and chose to stay here. Many of them are probably retired here or continue to come back to the area for retirement because they happen to enjoy living here. Lake County is a very desirable place to live because of the clean air and because of the country atmosphere.

So I think they may not have hired that many people in the geothermal industry. The more I think about it, yes, I would think they probably imported a good deal more. The jobs were pretty technical. But it's hard to distinguish now the people that might have been there pre-geothermal times that became geothermal people and those that came in and have stayed since, that have become part of the community.

Swent: Was there any effort toward occupational, vocational training in the schools as a result of this?

Cornelison: Not in the K-12 schools. There was some emphasis on developing programs for welding at the time because there was a big demand for a lot of welders, but the community college tended to address those kinds of concerns. Yuba College in Clearlake developed a training program for welders.

Swent: It didn't go down to the high school?

Cornelison: No, no. We operated the usual metal shop programs and probably moved a little more toward developing into this. It was always kind of a problem we had in the schools because you could go up and get a job up at the Geysers and made good money and therefore why stay in school? If you were seventeen, eighteen years old and they needed people, local people, to be laborers, you'd go up there and you made good money doing that. The unfortunate thing is that those jobs didn't last forever, and many of those people, young people, found themselves coming back later, wishing they had a high school diploma. We tried to tell them that at the time, you know, but the excitement of being employed for big dollars--

I remember one young man who had graduated from Middletown High that was a local football star was killed up at the Geysers in an accident, and that certainly was a very sobering feeling on the whole group, everybody in the community. It was all part of growing up and experiencing the new industry moving into a very small community that obviously just kind of overwhelmed it there for a while.

And the schools benefitted because of mitigation agreements. We had lots of mitigation agreements, based on the number of employees whose children attended local schools. And then we got regular funding back from them to do facilities and improve programs.

Swent: I presume this worked the same way in the later development. The companies paid into a fund?

Cornelison: Right, yes. We had a Geothermal Impact Facilities Fund, and mitigation monies were paid directly into this fund, that had to be used for facility construction and so forth. You're making me think about what kind of mitigation we have with Homestake. There was some. Can I bring other people into this discussion?

Swent: Yes, of course.

Cornelison: Our school attorney, John Drummond, who's in the office next to me here, would have more information about the mitigation agreements with Homestake, yes. Do you want me to check to see if he's available or have him stand by?

Swent: Surely.

Cornelison: [moving away from the microphone] I'd like to give you as much accurate information as you can here, so I'll see if he's available. [tape interruption]

Cornelison: So about my time in Middletown, anyway. I left there in 1986, when a vacancy occurred at the Konocti district in Clearlake. That was obviously a larger district, so I could be able to move there as superintendent and not have to--

Swent: Wait. I had you in Middletown. Oh, I'm sorry. Vacaville was '72 to '79.

Cornelison: Right. [tape interruption]

III JOHN DRUMMOND, LAKE COUNTY SCHOOLS ATTORNEY

Homestake's Mitigation Agreement with the Schools

Swent: Good morning. This is John Drummond?

Drummond: Yes, and I'm Lake County Schools attorney, and when Homestake Mining Company came in--you caught me cold here, so I'm going to try to give you facts.

Swent: Yes, that's not quite fair. I'm sorry for that.

Drummond: But they signed a mitigation agreement with the school districts, whereby they agreed to pay a sum of money for every child that was generated to become a pupil in the school, and the agreement provided that there would be an annual survey, and then the students that were identified in the survey as having come to Lake County as a result of Homestake's activities were then considered to be the basis of payments to the school districts. And over the years, Homestake Mining Company made payments to the school districts in the amount of approximately $741,000 total over the years, based upon the number of students that enrolled in the school district as a result of the mine going in.

Swent: This wasn't just Homestake's generosity. It's required, isn't it?

Drummond: Well--

Swent: Maybe I shouldn't word it quite that way, but is this sort of a standard thing that an industry does?

Drummond: Well, it's not really standard, but it was a condition of the permitting process. What had happened here is that, my observation is that Homestake Mining Company sent in one of their executives, by the name of Jack Thompson. Is that right?

Jack Thompson's Skill at Getting Community Support

Swent: Yes.

Drummond: Jack Thompson was very skilled at gaining community support and getting through the permitting process. That was his specialty, what he had done successfully elsewhere and what he did successfully here, and I assume what he did successfully when he moved on to his next assignment. Jack Thompson's philosophy was to come in and to address the impacts of the mine in a manner that would gain the community's support for the project, so the community would see the project as a positive thing that helped the community and that they would identify with it and have ownership. And whereas I have seen the opposite of Jack Thompson--

Swent: I was just going to ask you. You had been here with the time of the Geysers development, too, hadn't you?

Drummond: Well, I have been here, and I have been over at Mendocino County, as a school lawyer and also as a county counsel. I was a county counsel for five and a half years in Mendocino County. I have seen a lot of different developers' styles, and I've seen the opposite of Jack Thompson, where someone comes in and tries to save a nickel and ends up spending hundreds of dollars because they did. Jack Thompson's philosophy was to come in and to identify impacts and to address them quickly and move through the permitting process as quickly as possible.

You have to understand that, on the average, Homestake Gold Mining was pulling up $500,000 worth of gold out of the ground every single day that the mine was in operation, for a total of $3.5 billion projected over the life of the mine. So for every day that the permitting process was delayed, they had not pulled $500,000 out. So when the school districts asked for a little contract that had a certain amount of money per student--I think it was around $1,000 a student or something like that, and it came out to $741,000--that was a day and a half's diggings contributed to the schools.

And when the fire department said, well, we can't handle this because we don't have the fire equipment, well, a little donation of a fire truck and whatever was contributed to the fire department, was probably less than a few hours' diggings for the mine.

So the idea of the Jack Thompson approach is that you work with the community, you identify the impacts, you treat that as a cost of doing business, and you get through the permitting process as quickly as possible, so that you don't get bogged down in costs rather than in productivity. And then that was all backed up at the time the gold mine had their grand opening. Everybody that had received a benefit from Homestake Gold Mine was invited to a giant barbecue which consisted of wild pig and chicken, I think--

Drummond: And everybody was given Homestake hats, and maybe somebody got T-shirts. I remember I got a hat. And thanked for their participation. And we were really left with the feeling that this was "our" mine, that this was Lake County's mine. And while Jack Thompson was here, this was Lake County's mine. And within a year after the mine opened, Lake County was hit with some terrible summer fires, brush fires, that threatened to wipe out entire neighborhoods. The Riviera was at risk and also the Hidden Valley and in both cases, without even being asked, Homestake immediately put its equipment on those fires. And, of course, their employees lived there, so there was direct--

##

Drummond: --benefit, but there was also a community relations benefit. And that kept community support for the gold mine.

The other thing is that Jack Thompson and his wife were more than just model citizens; they were the most wonderful people that you would ever meet. Linda was a parent volunteer and she helped at the school; she baked cookies; she did everything. Both Linda and Jack were members of community groups and there wasn't a single community activity that they didn't support. They genuinely cared about everybody; it wasn't phoney. You know that they were genuine people with real character. I think even today it's a popular project because of the way that Jack Thompson handled it. He's gone now, but I think the people that have followed him have really benefitted from that approach to doing business.

Swent: He's back as president of the company now.

Drummond: Oh, he is? I didn't even know that!

Swent: He may still be directing that kind of policy.

Drummond: Yes, right.

Swent: And that policy may, of course, have been given to him from above, too.

Drummond: Yes, but somebody trained him correctly.

Swent: But he certainly filled it well, then.

Drummond: Yes, he did a wonderful job, I thought.

Cornelison: John, my own memory of mitigation during the time that the mine was being built, did the companies--TIC and the other companies that were out there doing the construction in the mines--did they pay mitigation direct, or did Homestake pay on their behalf?

Drummond: Homestake paid on their behalf. Homestake paid it all.

Swent: What sort of leverage did you have? Was it a bargaining situation where you went in with--

Drummond: The situation is that Homestake had to go through the permitting process and approval of the project. If it wasn't approved, it wasn't going to go through. And the attendant delays could have been much more expensive. It could have cost Homestake a thousand times what they paid out to the various departments in mitigation fees. The legal handle we had was the California Environmental Quality Act, but, like I say, I've seen the opposite. I've seen people come in and choose to actually go to court against each and every agency; and, without exception, those kind of developers usually end up without making a profit, and their attorneys end up with all the money, is what happens.

Swent: I would have thought perhaps there was a sort of form that you just filled in the blanks with the numbers.

Drummond: No.

Swent: But it's not that way.

Cornelison: You wish that were true.

Drummond: No, we just kind of invented the wheel as we went along is what it was, is that it was almost a first time that anybody had done that here. In fact, I took our contract to the statewide meeting of the California school attorneys and shared that with them, and they were very interested in it.

Cornelison: I would certainly add to what John is saying the contrast that indicated for our superintendent of the Middletown district, we had to negotiate with geothermal companies, with PG&E, with oil companies for mitigation on geothermal drilling. And that went before the California Energy Commission. It took the form of hearings, where you had to be represented by counsel, and they had their top attorneys there to try and save as much money as they could, as far as geothermal.

Homestake was a joy compared to that operation. Homestake people--we didn't have to go to any kind of judicial proceedings at all. As John indicated, Jack Thompson and the key people from San Francisco were very cooperative. "What was the impact upon the schools because of our presence? What can we do to mitigate that? What seems to be fair?" And it was a real easy task, compared to the geothermal districts. Would you agree with that, John?

Drummond: I would agree, yes. In fact, in 1981 I took a class on developer law because I was actually representing the Mendocino Planning Commission and dealing with these attorneys, and I wanted to know as much as I could about the law. And this very successful attorney for developers that was putting on the class, rather than spending time on the law, he spent time on, "Well, don't forget to bring roses to the secretary in the planning commission," and this and that. And it was a very Jack Thompson approach of, you know, get the community into this project and give them ownership and they could feel like this is part of their community.

And then there was another developer taking the class, an attorney-developer, that stood up and started talking about suing people and bringing writs and all of this, and somebody else stood up and basically said that in their experience that attorneys and developers that take that route usually end up with not making any money on their project, that it's not a productive approach.

Yes, it's a "people approach" is what I would describe it as. It was very successful, and I think that people have a lot of good feelings about Homestake Mining even today.

Swent: Of course, this was a very depressed area, I think.

Drummond: Yes, it was.

Cornelison: Yes, it was no doubt that Homestake was a breath of fresh air, as the Geysers had been also in the Middletown area. I was just thinking, John. Maybe you can help me. The enrollment growth stimulated by Homestake. We did get a lot of people who moved into the area, mainly, I think, in the Middletown, Kelseyville, and Konocti districts, to some degree.

Drummond: Well, I think so. And that was shown by the fact that we collected $741,000 to help take care of the capital outlay expenditures of getting additional classrooms for the additional students. So I think that there was enrollment growth as a result of the mine.

Cornelison: And that has continued on. You know, the Homestake people have come and gone. Others have come to replace them. So it's maintained. With the geothermal industry, we noticed a big decline in enrollment. In the Middletown district--well, it's been offset by people moving into the county as commuters to some degree, but their presence has certainly been missed, to some degree, in the southern end of the county.

Swent: I would think that Lower Lake would have the biggest impact, but you're not mentioning Lower Lake.

Cornelison: Well, Lower Lake is in the Konocti district.

Swent: Oh, I see.

Cornelison: Yes, the elementary schools and the high school would be affected. Although, at the time that the mine started, there was not a lot of really good housing located within the Konocti district. There were some areas there where you could go in and buy homes, but there were not a lot. There was not a surplus of new homes being built, as compared to the Riviera and the Hidden Valley, where there were a lot of new homes being built, so many of the Homestake people chose to live in the Riviera, which is in the Kelseyville district, and in the Hidden Valley area, which is in the Middletown school district. And their children, of course, went to those schools. I think John would probably remember the districts that profited from mitigation, would include Middletown, Kelseyville, and Konocti, probably not equal--

Drummond: It was interesting that we had people driving to the mine from Upper Lake. Today, people like to commute. In fact, we have people who live in this county that commute. Well, we had one person that was commuting to the San Francisco airport every day. And so people love to commute. Yes, we have people living in, that I know personally, out here in Lakeport that were working, driving down to the mine every day, people in Upper Lake and Lucerne. And all of the school districts were affected by the Homestake Gold Mine.

Swent: And you were the attorney for the county.

Drummond: Well, actually, I am the attorney for the Lake County Superintendent of Schools, the Lake County Board of Education, and the Lake County School Districts.

Swent: So all of these districts were in your purview.

Drummond: Yes.

Swent: This may not be a question for the attorney. I was wondering what other impacts there were. You've mentioned the mitigation money paid for buildings and facilities, but there must have been a lot of secondary impact.

Drummond: The State of California paid for that. You see, for every additional student we get an amount of money each year, which is for the yearly operating expenses.

Swent: That's the ADA [average daily attendance]?

Drummond: That's the ADA, so the state of California paid for that, and Homestake contributed towards the capital expenses that the state of California doesn't necessarily cover.

Swent: You didn't have to negotiate anything for that.

Drummond: That's automatic. That's important.

Swent: I see.

Cornelison: Many of the people that came out to Homestake were college graduates. They were engineers, people who had high desires for their students, as compared to the more settled agricultural population that we were experiencing. The overall benefit in college preparedness and parent support--Homestake parents that had kids in the schools, Middletown, Kelseyville, and in Lower Lake certainly were there. They became very supportive, active in the schools, were members of booster clubs, became members of the parent groups, and were there supporting the schools. They were used to doing that when they came to Lake County, and they continued that practice. That was very good.

Swent: A little bit of a change here?

Cornelison: Well, yes. We had a lot of local involvement, but, you know, our schools for a long time, basically, were like in a rural environment. You go back to work in the farm. You didn't necessarily have to go to university to be able to work on a farm, so it inspired a lot of other students to want to leave Lake County and look for life someplace, for jobs beyond this county. That was a very positive influence, I think.

Swent: I guess maybe that's all, though, I needed to ask John, unless there's more that you wanted to say.

Drummond: No, that's fine. I'd be happy to answer any questions that you have.

Cornelison: Thank you.

Swent: That was very helpful. Thank you.

[At the time of reviewing the transcript, Drummond added the following comment: Now of course we are seeing what we learned in economics class: for each industrial worker there are five service jobs created. We are feeling that effect; it is really noticeable that as the mine winds down and the mine workers leave, the service workers are beginning to go too.]

IV SUPERINTENDENT OF THE KONOCTI SCHOOL DISTRICT, 1986 TO 1994

No Noticeable Negative Impacts from the McLaughlin Mine

Swent: I wanted to ask something very subjective, too. Well, let's see. You haven't given us the year, then. You were in Middletown from 1979 to 1986.

Cornelison: To '86.

Swent: To '86, and then you came here.

Cornelison: No, I went to Lower Lake in '86, and I was superintendent of the Konocti district, which included the Lower Lake schools.

Swent: That was just after the mine had opened.

Cornelison: Right. That was in '86, up until '94. And then in January of '95 I came to the county office. So I had seven years, actually, as superintendent in the Konocti school district, which is a larger district of three thousand students, including Clearlake Oaks, the city of Clearlake, Lower Lake, and all the city area, Morgan Valley, where the mine was located, and then all the way down to the north end of Hidden Valley, where we met the Middletown district.

Swent: So through the construction period--now, this is a purely subjective thing, but construction workers. How were they perceived in the community, and what sort of effects did they bring to the schools as well as the community?

Cornelison: I'm not aware of any negatives. I think the local merchants appreciated the additional business, the markets.

Swent:: What about crime and drugs?

Cornelison: You know, I can't remember anyone particularly commenting on that being a major problem. I've heard those comments before about some of the drilling people in the geothermal industry, and we had few complaints in the Middletown district that they didn't want their children waiting by certain bus stops because they felt there were all those big rigs parked around there and those guys were in having a beer or something, and they didn't really want them, have their children, wait for the bus or be dropped off in the afternoon by that. But that was the only--

Of course, at the time that the mine was being built, I was not in the Konocti district. I was down in Middletown. By the time I got up here in '86, the mine was pretty well out of the construction. You know those dates better than I do.

Swent: Yes, but I was thinking that the Middletown area might have been--well, I guess the construction people, though, weren't down in Middletown, were they?

Cornelison: No. Most of them lived in temporary housing around the Clearlake area. I remember at the time that the Konocti schools experienced a big surge in enrollment due to the construction crews, and when that job was completed they had a drop in enrollment. They had a little graph, as you look at enrollment growth. I remember the former superintendent saying that was the Homestake building period there, that peak in the graph. That's when a lot of people came in, but they didn't stay that long, and they moved out again. So there was some impacts there.

I don't remember any negative impacts in the paper or an increase in crime or any difficulty. Probably could talk to some law enforcement people and others that might have more accurate information on that.

Swent: There were sort of vague things that seemed to float around about drug use among construction workers.

Cornelison: Yes, yes.

Swent: Then there were vague things before all this happened, about people growing things up here that were--

Cornelison: Sure, yes. I don't remember anything. The only thing I can remember [is] that I think some of our local taverns got a little more business than they would have. After a hard day of working, the people would stop and have a beer. And that might have caused some problems as far as driving and so forth. Not that I remember, though.

Swent: Not a major--

Cornelison: This has always been a county where there's been a relatively high consumption per capita of alcohol, and no one seemed to notice any significant difference because of their presence. Except those who owned the taverns were probably very happy to have them here. Business picked up a little bit.

Swent: Is this a big marijuana growing area?

Cornelison: No, I don't think so. There are some areas in the eastern part of the county, out towards Colusa County area, that--there seems to be some cultivation of the plants out there. We have a very active--I don't know what they call themselves, marijuana eradication teams, in the sheriff's department, and they keep a pretty careful eye on what's going on. Mendocino County tends to get more credit for that than we do, I think.

Swent: That has the big name.

Cornelison: Yes, right.

Swent: And, of course, this was peripheral to your schools then, too. Did you have a drug education program in the schools?

Cornelison: Oh, yes, yes.

Swent: Did it change as a result of this increased population?

Cornelison: No, I don't think so. Never heard any direct relationship between this growth and drug usage. It probably existed here before they came, they existed while they were here, and they're still existing after they've left, as far as the construction people. We probably have more of a serious problem now in this county with drug use than we've had in past years, and that's just due to growth, overall growth.

Back in the time that the mine was being built, we had a DARE program working with our elementary children. We moved in about 1988, '89 and moved into the Here's Looking at You, 2000 Program, which was a K-12 program for substance abuse prevention, education, and--

Swent: What was this called?

Cornelison: It's called Here's Looking at You, 2000. It's a program that came out of Arizona. It's a K-12, well-developed program. Starts out with puppets for kindergarten children all the way up to discussion groups among high school kids and so forth. The values education. Refusal skills, how to say no, to be able to deal with peer pressure--it's a positive program.

Swent: And DARE was the other one you mentioned.

Cornelison: DARE, yes. DARE is a program that came out of Los Angeles.

Swent: That's an acronym for?

Cornelison: Drug Abuse Resistance Education, I think.

Swent: Do you still have both of those programs?

Cornelison: No, Here's Looking at You overlapped the DARE program. The DARE program was really a fifth and a sixth-grade program, and Here's Looking at You covered all the grades.

More Parental Support for the Schools

Swent: You mentioned that you did have more college preparatory emphasis.

Cornelison: Yes, I think all of our high schools saw an increase in enrollment in college-bound students as a result of the Homestake people moving in. Homestake was certainly a contributing factor. I'm sure there were other factors, too. I know we noticed that and were happy to see that, happy to see the Homestake parents showing up at parent meetings and back-to-school nights. You saw a lot of involvement there. You didn't have to coerce them to come.

Swent: Let's mention a few specific names. John talked about Jack Thompson, and his children, I think, were in the local schools.

Cornelison: Yes, Jack's kids went to Kelseyville schools. Jack was certainly a real community leader. He still is spoken with a lot of respect here. Jack was a member of the Clearlake Rotary Club. I was a member of that club at the time, and we worked together on many community projects. He was a very easy person to work with, who really cared a lot about the community and was happy to be in the community. Was very open, very easy to approach.

Swent: His wife was not a teacher, was she?

Cornelison: No, I don't think so. I don't remember. I remember her being a volunteer, being involved in the Kelseyville schools, but I don't remember, I don't think, not like the Parkers.

The Parker Family, Very Supportive

Swent: We mentioned Ron Parker. He succeeded Jack Thompson as manager.

Cornelison: Right.

Swent: And his wife.

Cornelison: Merrily. She'd been a teacher at the Middletown district. She's always taught at the Cobb School. I don't remember her being anywhere else. They lived in the Cobb area for quite a while, and then they relocated. They just changed houses. I think they're still in the Cobb area. They moved down towards the Kelseyville side of the mountain. Yes, a wonderful family. And very, very supportive.

The Konocti district has an extremely high level of low-income families. There are a lot of itinerant people who live in mobile homes that are looking for work and come to settle and live in the Clearlake area. The way we measure that is the percentage of children that are on AFDC [Aid to Families and Dependent Children], you know, which is another acronym basic to the welfare program, social service program. The Konocti district has close to 35% to 45% of all the students from AFDC families.

Swent: That's rather high, I would guess.

Cornelison: Right. Even more significant is the Free and Reduced Lunch Program for families, for low-income families, that are not making that much money or they have several children qualify for the Free and Reduced Lunch Program. Seventy-five percent of the children in the Konocti district qualified for that, so there were a lot of socio-economic problems and the problems basically dealt around, as far as we were concerned in education, with parent involvement, that it's harder to get parents involved in the school if they had not had positive experiences in the school themselves.

Swent: Has this been kind of a continuing situation in this district?

Cornelison: Oh, yes, yes. It's always been a concern in the Konocti district.

Swent: It wasn't just because of the recent depression.

Cornelison: No, no, no. It was there long before that. During the recession it got worse, and still the population at that end of the county, that particular community, due to the lack of good housing, and they're trying to address it. They have a redevelopment agency going in to see. They're working on it, and eventually things will turn around, and more jobs will become available. But in recent times, with the jobs being done away with by Blue Shield and the geothermal industry and several other people who have pulled out of the county, there's an extremely high rate of unemployment here.

Swent: Has Blue Shield been an employer here?

Cornelison: Oh, yes. They had big operations in Lakeport and Lower Lake, and they closed both of those down, and all their employees have been relocated. This office runs the job training needs for the county.

Swent: Your education office.

Cornelison: Yes, the county office of education, the JTPA program. And they're doing a lot of things now on retraining the people, the displaced workers who used to have jobs.

Swent: Let's get a little picture, if you don't mind my interrupting you. The county is agricultural, pears and grapes, I presume?

Cornelison: Right, yes, and kiwis.

Swent: Kiwis, huh? Okay. And then also resorts and tourism?

Cornelison: Yes, tourism is obviously not what it used to be back in the early part of the century, but still there are a lot of resorts around the lake. We're continuing to--

Swent: That's seasonal.

Cornelison: Yes, it's definitely summer. That's growing. It's picking up a lot. There are new restaurants coming in, and some of the older resorts are being refurbished and remodeled, and we certainly have the Konocti Harbor resort that's doing very well these days. They've expanded their facilities and are providing entertainment and have a health spa. It's becoming a destination site for people.

Back in the days before roads were developed well, the twenties, thirties, all the way up to the fifties, Cobb Mountain, Lake County was a playground for the Bay Area. And many people--Excuse me. [tape interruption]

Cornelison: We were talking about the economic conditions, I guess, in the county. I was just relating back to historically. The resorts up in the Cobb Mountain, the Hoberg's Resorts, Seigler Springs resort, and the resorts around the lake were--

Swent: What was that last one?

Cornelison: Seigler Springs.

Swent: You were saying people would drive all day--

Cornelison: Right. All day to get over Mount St. Helena, and a two-lane road, to come up to the lake and enjoy. This was before there was a Lake Berryessa or anywhere else to come. Because Clear Lake is a natural lake, and it's been here for a long, long time.

As freeways developed and Lake Tahoe became available, we noticed in the fifties, late fifties, sixties, seventies, there's been a great decline in tourism in Lake County, and there are many people that are trying to resurrect it again now. The lake has obviously had its problems, being a natural lake with algae and they are addressing the algae problems. Most recently, this year, there's been problems with flooding up there. So, yes, the lake has not been behaving itself too well.

But at any rate, we still believe that the natural beauty of the county provides a quick getaway for people now. It's only a two-hour drive from Bay Area, from Sacramento, and more of our folks are coming back up here, so we see a resurgence of that and certainly the wine industry, wine being tied in to tourism, which obviously affects Napa and Sonoma Counties, and we're right in the middle of all and are just as much a wine-producing county as they are, potentially. Not as many wineries, of course.

Swent: What about the racial mix? Has that changed?

Cornelison: No, no. This is basically a county that has a strong Anglo population. There is an increasing Hispanic population. I thought I might have some statistics for you.

Swent: You have an Indian rancheria.

Cornelison: Yes, we have a Native American population that's probably maybe 5 percent of the total. That's just a guess. I have no evidence on that. But there are rancherias outside of Lakeport, Big Valley area. There's another major rancheria in the Upper Lake area, called the Robinson Rancheria. There's a large rancheria in the Clearlake Oaks area, El-Em. And then there's also one down in Middletown. You can tell them now because several have casinos located at those locations. That's obviously a factor in the future of Lake County, as to how that will go.

But at any rate, getting back to the impact in the Konocti district.

Homestake Funded a Program to Increase Parent Involvement##

Cornelison: In the Konocti district, as I indicated, there was a high population of low-income families and a lot of problems with parent involvement. In the district, we looked at several plans that hopefully would be able to improve parent involvement. Several different programs. There were consultants available to come into a district, that had been successful working in urban areas and getting school populations with minority parents and low-income people becoming involved with the school. So we really wanted to bring in these consultants and do a program that would get more involved with the parents, but we had no money to do that. So we looked around, said who could we go to for help, and we went out to Homestake, and we said, "Here's what we need. We need about $35,000."

Swent: Whom did you talk to?

Cornelison: The initial response, I think, went through Jack Thompson at the time. No, I'm thinking more of Ron Parker and Jay Wilkes at the time. I think those were the people. I think Jack was gone. This would have been right around '88, '89, in that area. At any rate, the reference was made directly to their home office in San Francisco. And I wish I could remember the name of the vice president.

Swent: Robert Reveles?

Cornelison: Robert Reveles, right. And so we set up an appointment, and several principals and some teachers, a whole group of us, a board member went down to California Street and met with Mr. Reveles and talked at some length about the conditions. He was extremely supportive of the educational program. He was very much involved with the schools in San Francisco. He had been doing some things, working with some low-income families. He liked the project, and he took it to the board of directors and asked for their support. And we were pleased to find out that Homestake responded to that.

Now, this was not their problem. It was none of their making whatsoever. If anything, Homestake had been a significant impact to improve the socio-economic conditions. But the school district, itself, continued to have these problems. They had them before Homestake came; they still have them. And here was a group of people that wanted to address this dynamic program to get parent involvement. And so they agreed to support the program, one time, on a grant basis.

And the funding was used mainly to bring the consultants in, to work with principals. We developed student folders. There were many things that came from this, but one of the most significant was a weekly folder that was sent home for the children in grades K through 8. Originally. Then it was K-5 after a while. The folder was a very brightly colored folder that had all the student's work in it for the week, plus information for the parents. We got parents to look for that every Tuesday, as a practice. It's still being continued over in the Konocti district. And the Homestake logo is on that folder, indicating that it is a program supported by Homestake Mining for the people.

It was a monumental problem to address. I'd like to be able to tell you that it got solved, but it didn't. But there are a lot more parents who got involved. We got parents to sign parent pledges that they will agree to read to their children every night, that they would come in to parent conferences, that they would make sure their child went to bed every night at a certain time, and parents did sign these pledges, and we collected them, and oftentimes I think it did make a difference. It did certainly bring people. We had several meetings with kind of rallies and this kind of thing to get parents involved more. And this was all due, really, to the help and support we got from Homestake.

I do remember after the project was over, and it's a story I kind of enjoy telling, we went down--before, we never dealt directly with the board at Homestake. We worked through Mr. Reveles, the vice president for governmental affairs, and he approached the board. So we all went down to present a report to the Homestake corporate board, to express the thanks of the district for their contribution. And we had a principal, myself, and some board members; and we went to their board room at the home office there in San Francisco, and I don't remember all the names of the people that were there, but the CEO at the time and some of the key people were very polite. They welcomed us into the office.

We started to review all the things we had done with parent involvement, and they kind of said, "You've got a good report here. Tell us what are you doing with geology in the schools? What are we doing to help you out in curriculum in rocks and mining?" And it became clear, and I learned a great lesson from that, that in dealing with a group of corporate business people in downtown San Francisco, their interest was pretty much in what the business was all about, and that was geology. They're a mining company, and they wanted to talk about mining.

So we talked about mining. We didn't talk about parent involvement at all. We talked about the science programs in the elementary grades, and that opened a continuing door with more opportunities. Homestake has provided lots of materials. This is mainly through Jay Wilkes's help. Lots of materials to the schools on geology, field trips for the students, and rock samples, different kinds of things. With the high school programs, they've had tours out to the mine with high school students that are geared to careers in mining. They have provided opportunities, scholarships to teachers to go off to institutes on how to teach science, physical science, earth science. And many of our teachers throughout the county have taken advantage of that opportunity and have gone off to those workshops. And they offer that to all the districts.

They've also cooperated with programs that involve high school students in geology training. The support has been--talking about a business partnership between the schools and a major industry, Homestake is really our major industry located within the county. The public service would be the only other entity that probably hires more people, and that's schools and government. But for one major industrial group, the last time I knew they were hiring slightly over three hundred people. They had been up to much higher than that. But their working cooperation with the schools has been outstanding.

Lower Lake High School began their reform efforts to build better partnerships with the community and had a major luncheon with local business people. Homestake was well represented. It helped sponsor the event and was definitely a player in all that. So that was a major involvement that I can remember very well that we greatly appreciate.

Swent: What's going to happen when the mine closes?

Cornelison: It will certainly be missed. There's no doubt about that.

Swent: Are the schools making any advance preparations for that?

Cornelison: Well--

Swent: Of course, it's a ways down the road, but--

Cornelison: No, we haven't at the present time. I don't know what the impacts would be. In the meetings we've had not so much with the schools but in community meetings with people from the mine, with Don Fields and others who are out there at the present time, it appears that this is going to be a slow, gradual type of activity, so there will be no severe impact. It's not going to just all of a sudden shut down one day and not be there anymore.

Swent: No. It takes a while to wind it down.

Cornelison: Yes. And so that impact will be a slow one upon the schools as families move out of the area, looking for new positions. I have a sense that will be an impact. We're a highly transient county. People come and go here an awful lot, especially in the south end of the county, so we're used to changing enrollments and students coming and going. This is typical of a low-income population. People are looking for work, and if you live in a mobile home and you rent, you're highly transient, and you'll be here today. You can pack up, be gone tomorrow, literally. No problem. You can carry things in your car. You know, it's an Anglo migrant population, not associated with farm workers at all. Just people looking for any kind of work and will go wherever they can go. So they can find housing. So we're used to that.

Why People Like to Live in Lake County

Cornelison: Obviously, the Homestake people would be missed, but I don't think the impact will be any more severe than with the geothermal pull-out, which has been a very gradual thing in the Middletown district. What we've noticed is commuters moving into the area. As John was indicating, people do seem to don't mind commuting. If you've been used to commuting in Los Angeles or a gridlock type of situation on freeways, it might take you two hours to get to work. You wouldn't mind driving two hours if you're going through very nice country. And there's a certain therapeutic value to driving through the Napa Valley, driving over Mount St. Helena.

The cost of homes, land, and construction in Lake County is so remarkably different than the neighboring counties of Sonoma and Napa that it certainly would motivate a family who was employed in the Bay Area to move up to this county, get a nice home where you can put your boat right on the lake, and you can have a horse in your back yard, and you can do all that for less than $150,000. You know, you just can't do that in Marin County. You can't do it in Sonoma County. So the price you have to pay is another hour or so of commute.

And also you can put your kids in smaller, rural schools. That is desirable for a lot of people. And a nice thing about education in Lake County, I think, is the students know each other, the teachers know the students, there is a very good family spirit. The largest high school we have is at Lower Lake, and they have around six hundred students. The other high schools are all right around three hundred, and so there's more of an individualized instructional programs that come out of that than you will find in the high school of 2,000 kids.

Swent: What is your teachers' salary?

Cornelison: They're among the lowest in the state.

Swent: What would beginning teachers--

Cornelison: About $22,000, and the top salary after twenty-five years with master's degree and ninety units beyond a bachelor's, you'd probably make $40,000.

Swent: But you could have a house and a boat for $150,000.

Cornelison: Well, yes, you could probably--generally, the cost of housing, obviously--but the rest of the cost of living up here is no different than it is anywhere else.

Swent: Sometimes food and things like that are more expensive.

Cornelison: Yes, yes. You don't have the benefit of discount buying that you have in the suburban areas. There are no Price Clubs up here, no Costcos. We got a Wal-Mart into Clearlake last year. That was a major breakthrough. And we have a Kmart here in Lakeport. But that's the extent of shopping availability. The markets are no different than they would be--I think there's less competition, and maybe that affects pricing a little bit. But the cost of gasoline is higher here than it's going to be in--and most of us plan to buy gas when we're down in the city because you can see competition going on. You can see price wars. You don't see much of that here, although we're seeing more and more of it now, with cheaper stores moving in and loading low-price gasoline. But the cost of living is no different. But the cost of housing is.

The other difficulties you have in this county, there's no local transportation. You drive everywhere. There's no muni bus system. There's no way to get around the county other than by driving.

Swent: You do have school buses.

Cornelison: We have school buses, yes. All of our districts transport the students. But there's no public transportation as such.

Swent: You mentioned that you had a problem in the Geysers, in Middletown, with the high school students dropping out to work at the Geysers. Has that happened here with the Homestake mine?

Cornelison: No, not at all. I can't give you the reasons for it. I would like to think--there's never been a problem. I don't know why there hasn't been a problem, but I don't think Homestake will hire people unless you have a high school diploma. I don't know.

Swent: Maybe not. I don't know.

Cornelison: I don't know that, either. But there certainly has been no recruiting or no even undercurrent among high school students, "Boy, we can quit school and go out to the mine and work." I've never heard that.

Swent: Maybe they need more skilled workers.

Cornelison: I think so, yes. A lot of it is heavy equipment operation, and you don't want eighteen-year-olds doing that. There are students who have graduated, have got jobs out at the mine, that had been employed out there in various capacities, so there has been an employment opportunity, but they've made a strong effort to discourage any kind of high school dropouts.

Swent: Was this just young men, or girls too?

Cornelison: I would think. Young people.

Swent: The girls.

Cornelison: Yes. In fact, they would tell you more than I will who they've employed, but I'm sure that secretarial positions, a lot of the office skills are gone into. I think mainly of heavy equipment operations, but jobs are not normally filled in the mining business, the actual digging of the hole and pulling stuff out, that sort of thing.

Swent: No, it's been mostly men, I think, although there are a few women working out there.

Cornelison: Oh, yes. There are a lot--I know several parents of students that--well, this brings me back to the main point you had made before. When Homestake came in, they made a commitment to the community to hire local people, and they carried on with that commitment. They did a lot of the training themselves to bring people up to the level that they wanted to. Many of the people that I knew as active parents of children pre-Homestake had been employed out there at the mine throughout its whole duration, and they're very comfortable working out there. You never hear a negative feeling from any of the Homestake employees about their working conditions and so forth.

Swent: You mentioned JPTA. Didn't you have a JPTA program?

Cornelison: What's a JPTA program?

Swent: Job training.

Cornelison: Yes. We called it JTPA?

Swent: Right.

Cornelison: Okay. I never heard that phrase, JPTA. That's a territorial problem.

Swent: I guess that's what they called it in Oakland. This was run through the schools.

Cornelison: Yes, the county schools office has operated a job-training program. I don't know at that time. Probably Jeff Lucas would be one that you might want to talk to. Jeff is right here in town.

Swent: Or Bill Hecomovich.

Cornelison: Hecomovich was at the college, at Yuba College. Jeff was probably involved with the job training program at the time. I don't know if he goes that far back or not. But certainly Bill Hecomovich went out, and this is all second-hand now. He would be the primary source there. But he worked a deal with a lot of people involved in mining construction as well as actual mining itself with Homestake. Yuba College indicated, We will train your workers for you in Lower Lake. Actually, I think it was in Clearlake. At the Yuba center there. You know, "You tell us what you need. We'll get the people there, and we'll do all of it. However, we do need buildings. We do need a shop. We do need all this." So Homestake said, Okay, we will provide all that for you.

And they started off at an airport, in a hangar over at Pierce Field and opened a training program in welding and a lot of the skills that were necessary to have out at the mine. And I think it was done very successfully. They built a building at Yuba College that's still there that is their industrial-tech program, so to speak.

Swent: And that's still going.

Cornelison: Yes, I think so. I don't know if it's directly related to mining any more, but it may be. I don't know. But it was an excellent program, and Bill was the one that engineered all that with Jack Thompson at the time who was responsible for that.

Swent: You've mentioned that you did have some influence on your high school program in geology and those things.

Cornelison: Right, yes. The company has been extremely generous with providing instructional materials, kits for teachers, training programs for teachers, and field trip opportunities for students.

Swent: In the schools, have you gotten into any other, other than just the rocks? Do they do anything with economics?

Cornelison: No, no.

Swent: It wouldn't have affected that, I guess.

Cornelison: No. The schools obviously offer all those programs that are required by law, but, yes, we haven't had that much.

Swent: And for field trips or things, as an example of an industry and that kind of thing.

Cornelison: I'm not aware. Like, for example, we take a lot of our students down into the city so they can get exposure what urban life is like and go to the theater down there, and I'm sure we probably could have set up a tour of their building down on California Street, but an office building is an office building, you know.

Swent: It is being turned over the university at the end, as a nature reserve and biology research center, so maybe there will be opportunities there.

Cornelison: Yes, I would hope that maybe we could develop some kind of plan with the university. I've been anxious for some time to open a science center, more of a biological science, in the Anderson Marsh area close to the park there. And whatever help and support that eventually--if the university is interested in doing a program of high school students. We've done a lot of little things in archeology together, where university people work with high school boys and girls to come out and dig a few holes, sift through things, and you know--

I was involved with a program with San Diego State and the old Mission San Diego when I was down there. They were doing a lot of things with high school students that were brought in. So those may be the possibilities when we get to that point in time.

Swent: There might be a nice alliance there.

Cornelison: Right. Certainly, there are areas that Homestake has been helpful to the community, and this is not so much as an educator as a community citizen living here at the time they came in. The improvements of Morgan Valley Road, just the general support of whatever has gone on, you know, the way they mitigated things, which was excellent: The water problems, all these issues, the way they bent over backwards on environmental issues out there, and all the rest of those things. They certainly have been good neighbors and good contributors, a good part of the community, and integrated themselves very much into the life of Lake County. What more can one say?

Swent: That is quite a tribute to them.

Cornelison: Well, I think so, yes. You don't always see that with industry. And I would have to say a certain contrast with the geothermal industry, where we had, really, a lot of hearings on polluting of creeks and environmental concerns. Now, they addressed them all, but, boy, you really had to spend a lot of time working on that, to make them aware of those concerns.

Swent: I wonder how much of this is because of the change in public attitude, that they were pressured a lot more.

Cornelison: That could be, although, right from the very beginning, I've never seen any instance where Homestake was not cooperative. John mentioned the public events they have held, the opening of the mine, and the anniversary celebrations at the mine, and other events that are well attended. And it's not so much--I don't know how to put this. When Homestake does something out there in their barbecues and celebrations, they really get the whole community involved. It's not just the movers and shakers or certain key people that get invited. All their employees are there, and friends of their employees are there. You see a lot of rank-and-file Lake County population when you go out there. It's not just the people who wear shirts and ties and that group of people. But they never came across much as a shirt-and-tie operation anyway. They really have involved the mainstream of the Lake County society, Lake County people.

Swent: My understanding is that there was really no opposition from Lake County, either.

Cornelison: Not at all, no. They had their problems in Napa County and maybe with Yolo.

Swent: Yolo particularly. There was strong opposition.

Cornelison: Yes, I remember reading that at the time, when they had to do a tri-county mitigation for all three groups.

Swent: But Lake County was very welcoming, I think, from the beginning.

Cornelison: Yes, well, we needed them, and a lot of the things they were doing in our county, obviously--I mean, we were going to be the entrance to the mine, anyway. That would be the easiest way to get in would be on Morgan Valley Road, and so the economy, all the workers--when they decided to do that transportation yard down there and they ran the bus out to the mine, those folks all stopped in Clearlake and Lower Lake to do their shopping before they went home, and it was a real boon to the economy.

Swent: A happy situation all around.

Cornelison: Right.

Swent: Well, I think I've asked all the questions.

Cornelison: I can't think of much else to tell you. As I say, John remembered the mitigation impacts better than I would have.

Swent: Yes, very helpful.

Cornelison: If you get a chance, talk to Hecomovich.

Swent: I will try to, yes.

Cornelison: He's a very colorful character and an outstanding member of the community. I mean, everything with Bill is like it happened yesterday. He was part of the old Lake County. He ran the resorts up in the mountain, the Hoberg's and all that, so he is a walking history book. If you ever get into that topic, the history of Lake County, he'll take you back to the twenties and lead you through the whole dates and times and places and people. He's just a fantastic historical source.

Bill Wilder, Friend of the Schools and Lake County

Swent: Would you like to say anything about Bill Wilder?

Cornelison: Ah! What can I say? I didn't know Bill until recently. I got up into Clearlake, and part of the community, you know, we've gone to Bill with ideas and thoughts, or he would come and meet with us, and he has responded so beautifully to the community needs in building the theater, serving the needs of young people. I often sometimes think maybe he regrets that he has done that because sometimes the kids get rowdy in the theater from time to time, but--

Swent: Is it still going?

Cornelison: Oh, yes, yes. The theater is the major attraction in Clearlake, yes, Clearlake Cinema down there. And they put a little deli next to that, ice cream store that is still functioning. Any time that we need to use the theater, for example, when "Schindler's List" came out, the producers encouraged everybody to--they sent the instructional material--take all the high school students to go see that movie so that they could have a better understanding of the historical facts surrounding the Holocaust and the impacts. It's a very powerful film. So we went to Bill and said, "Would you be able to do this?"

"Sure, no problem, no problem." I think he charged a dollar a student, just to offset the cost of opening the theater up during the day and hiring people to kind of come in, run the projector and do all of that. But, yes, we sent the whole population of Lower Lake High went over there, and I think the eighth graders from Oak Hill went over.

So any time you ask Bill for anything, he's been very supportive. I sense he feels that Lake County and the community has been good to him. He, in turn, has been good in return to the children, to the people in the county. We're currently dealing with him right now in getting some land to set up our court school program over on the other end of the county. We're renting space there now.

Swent: Your what program?

Cornelison: Court school. The county offices run classes for students that get expelled from the other schools, so they have a place to continue their education. That's a more controlled setting than their regular school. We call it the court schools; the students are under probation.

We also run the juvenile hall school, but these are kids that don't get into hall, but they're in trouble in their own schools. It's a very successful program. It rehabilitates a lot of kids. It gets them straightened out, and you finally get their attention, you see. Unless you have a court order, they--and usually they're at the age when they can get things turned around. We have a lot of dysfunctional families, and a lot of things that happen to kids are not really their fault. It's a lot of situations that adults create that lead oftentimes to crime, and you have to expel kids from school.

Bill is working with us now to find some land over there that we can relocate the program.

Swent: Is it a day school?

Cornelison: It's a day school, yes. So he's always been extremely cooperative, very helpful, and is certainly a good citizen of Lake County.

Swent: I think he's working on a library project, too.

Cornelison: Oh, yes. Well, he completed that. That is an example: they had a small, little library over at Clearlake. It was no bigger than a couple of portable classrooms. And`they were getting a grant. They had a chance to get a library grant. The population is about three times the population at the south end of the county than it is over here. And Lakeport has a big beautiful library. They could get the money to build the building and all that, but it cost them a lot to buy the land. So they went to Bill and said, "We've got this problem."

And he says, "If the town needs a library, there's the land." And basically it was no cost; he just donated it and helped them out so that the funding from the grant was sufficient. And now they have a beautiful library. It's as big as the one here at Lakeport. They could use some books to put on the shelf, but that will come in time.

Swent: Did they name it for him or something?

Cornelison: Well, I don't think so. They just dedicated it here a couple of months ago, so it's still a fairly new operation.

## [some lost in the tape change]

Cornelison: Bill Wilder loves to talk about mining. He'll listen to the school problems, but he won't talk about--things that he's interested in, "We'll talk about mining."

Swent: It's interesting that he's such a supporter of education because his only formal education was--he graduated from high school, but that's all.

Cornelison: Yes. We have a lot of folks like that around here that are very supportive. That's why many of our programs, the court school, the districts also run opportunity programs and second-chance programs for kids. All the local employers are happy to welcome these kids into their businesses because they can relate. "Yeah, I didn't do that well in high school, either. I needed someone to take me aside and give me a chance, and I owe it to those kids." We have a significant population that's not college bound at all, so we need to find places. A lot of them just want to stay here in Lake County and work, and how many jobs are here? You're surrounded by mountains here. You may not want to go over those mountains and compete in the outside world.

Swent: There's a pretty good world right here.

Cornelison: Yes, it's not that bad, you know? Well--

Swent: It's that time, I guess.

Cornelison: Probably time for lunch. I'm supposed to be over in--

Swent: Thank you very much, Bill, for this interview.

Transcriber: Mim Eisenberg
Final Typist: Shana Chen

TAPE GUIDE--Knoxville/McLaughlin Mine, Volume II

Interview with Anthony Cerar

Date of Interview: May 16, 1995	
Tape 1, Side A	1
Tape 1, Side B	14
Tape 2, Side A	28
Tape 2, Side B	41
Tape 3, Side A	52
Tape 3, Side B not recorded	

Interview with John Ceteras

Date of Interview: February 7, 1996	
Tape 1, Side A	64
Tape 1, Side B	73
Tape 2, Side A	82
Tape 2, Side B	92
Tape 3, Side A	101
Tape 3, Side B	111

Interview with Harry M. Conger

Interview 1: March 2, 1994	120
Tape 1, Side A	120
Tape 1, Side B	131
Tape 2, Side A	143
Tape 2, Side B	155
Interview 2: March 15, 1994	168
Tape 3, Side A	168
Tape 3, Side B	179
Tape 4, Side A	190
Tape 4, Side B	201

Interview with Jay Corley

Date of Interview: November 4, 1994	
Tape 1, Side A	216
Tape 1, Side B	227
Tape 2, Side A	237
Tape 2, Side B	245

Interview with William Cornelison

Date of Interview: May 5, 1995	
Tape 1, Side A	261
Tape 1, Side B	274
Tape 2, Side A	287
Tape 2, Side B	299

APPENDIX

A ANTHONY CERAR
1. Photograph of the "Meat House" at Knoxville, from the Sacramento Bee, April 3, 1983 302
2. Excerpt from Mercury Potential of the United States, U.S. Department of the Interior, Bureau of Mines, Information Circular 8252 303

B JOHN CETERAS
1. "Yolo planners agree to delay gold mine," Woodland Daily Democrat, April 21, 1983 305
2. "Napa planners delay Homestake EIR," Clear Lake Observer, April 28, 1983 306

C HARRY CONGER
1. "$1.5 Billion Napa Gold Bonanza," San Francisco Chronicle, May 13, 1981 308
2. "Gold Nuggets," flier from The Gold Institute 309
3. "A Special Recognition to Harry M. Conger, Chairman and Chief Executive Officer," from Homestake Mining Company's 1995 Environment, Health and Safety Report 310

D JAY CORLEY
Report on Permitting, from Davy McKee 311

E WILLIAM CORNELISON
1. Report on Lake County, from Dames & Moore 328
2. Report on Community Service Impacts, from D'Appollonia 331

F WESTERN MINING IN THE TWENTIETH CENTURY 334

APPENDIX A

ANTHONY CERAR

from Sacramento Bee,
April 3, 1983.

From: Mercury Potential of the United States, U.S. Department of the Interior, Bureau of Mines, Information Circular 8252. Courtesy of (and with notes by) Ron Churchill, Senior Geologist, State of California Department of Conservation, Division of Mines and Geology.

Knoxville District Mines and Properties

The Knoxville mining district comprises an area in northern Napa, northwest Yolo, and southwest Lake Counties and has been a major mercury-producing district, with an output of over 160,000 flasks since 1862. Principal production came from the Knoxville mine, the State's fifth largest producer, with an output during its life in excess of 121,000 flasks. The Reed and Manhattan mines contributed the greater part of the remaining output. Activities were based on high mercury prices; operations declined rapidly when lower prices prevailed.

Under substantially higher mercury prices, a small production from the Knoxville mine could be obtained from marginal-grade ore remaining in place and from stope fill.

The Reed mine offers the best possibility of the district for new production. Continued exploration could encounter new mineralized zones with sufficient ore to support a moderate operation. Again, high mercury prices would be necessary to offset high exploration and mining costs.

The Knoxville had some additional production up through 1981.

4th by my data - the order is New Almaden, New Idria, Cut Hill, Knoxville, Sulphur Bank

RKC.

Other mines in the district are capable of yielding a small annual production, although much exploration and development is needed. Areas on these properties appear geologically favorable for the occurrence of cinnabar-bearing mineralized zones.

Harrison Mine

The Harrison mine consists of 4 patented claims and 560 acres in Yolo County, about 19 miles southeast of Lower Lake. Altitudes at the mine range from 1,650 to 1,800 feet.

The property was located before 1900 and a few flasks of mercury were produced. Intermittent operations during 1917-18 and 1937-45 resulted in additional small production.

Ore bodies occur in small masses of silica-carbonate rock sporadically distributed along a broad northwest-trending fault zone between serpentine and Knoxville sandstone and shale. Cinnabar occurs in veins and disseminations in the silica-carbonate rock and fault gouge.

Work under a DMEA contract was started in 1957 and completed in 1958. The $28,540 contract comprised drilling a series of diamond-drill holes designed to explore for cinnabar-bearing silica-carbonate bodies within a northwest-trending fault zone. A total of 3,024 feet of drilling was done.

Inaccessible mine workings consist of four adits and several hundred feet of drifts and crosscuts formerly connected to a 125-foot vertical shaft.

Knoxville Mine

The Knoxville mine is in Napa County, 21 miles southeast of Lower Lake, at an altitude of 1,300 feet.

The property was discovered in 1862 and reached peak production during the 1870's. For many years it remained an important producer of the district, ranking fifth in production among the mercury mines of the State. The mine was abandoned and reopened several times between 1903 and 1927. The Gamble brothers acquired the property in 1927. During 1928-31 production averaged over 700 flasks of mercury yearly but decreased rapidly in 1932 and ceased entirely in 1937. From 1941 to 1945, production averaged almost 500 flasks annually from old mine and calcine dumps and from placer material; thereafter production dropped sharply and none has been reported since. Total production from the mine exceeded 121,000 flasks.

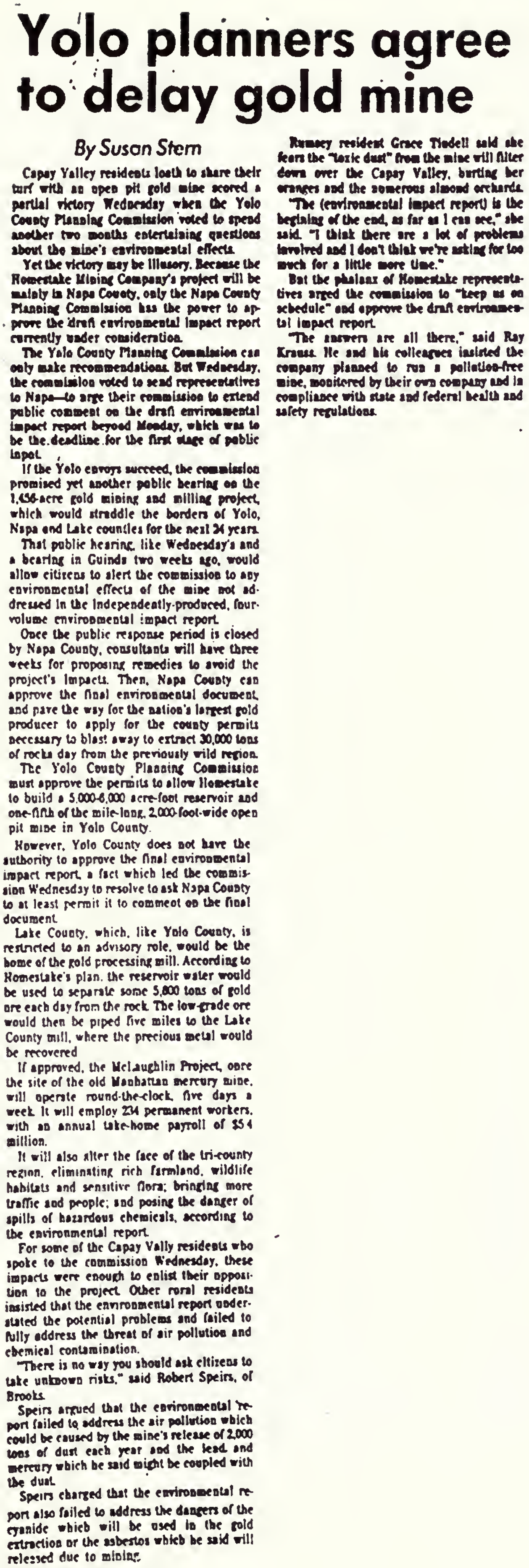
The mine is on a northerly trending, easterly dipping thrust fault between serpentine and sandstone and shale. Two east-trending fault zones north and south of the mine limit the extent of mineralization. Cinnabar and metacinnabarite occur in black silica-carbonate rock and gouge along the thrust fault and to a lesser extent along a south cross fault. The mineralized zone narrows perceptibly at depth.

Most of the mine workings have caved and are inaccessible, but they comprise about 15,000 feet of underground openings on several levels over a strike length of about 1,100 feet and an inclined depth of 600 feet. The 40-ton rotary furnace plant has been dismantled.

APPENDIX B

JOHN CETERAS

from Woodland Daily Democrat, April 21, 1983.



Yolo planners agree to delay gold mine

By Susan Stern

Capay Valley residents loath to share their turf with an open pit gold mine scored a partial victory Wednesday when the Yolo County Planning Commission voted to spend another two months entertaining questions about the mine's environmental effects.

Yet the victory may be illusory. Because the Homestake Mining Company's project will be mainly in Napa County, only the Napa County Planning Commission has the power to approve the draft environmental impact report currently under consideration.

The Yolo County Planning Commission can only make recommendations. But Wednesday, the commission voted to send representatives to Napa—to urge their commission to extend public comment on the draft environmental impact report beyond Monday, which was to be the deadline for the first stage of public input.

If the Yolo envoys succeed, the commission promised yet another public hearing on the 1,456-acre gold mining and milling project, which would straddle the borders of Yolo, Napa and Lake counties for the next 24 years.

That public hearing, like Wednesday's and a hearing in Guinda two weeks ago, would allow citizens to alert the commission to any environmental effects of the mine not addressed in the independently-produced, four-volume environmental impact report.

Once the public response period is closed by Napa County, consultants will have three weeks for proposing remedies to avoid the project's impacts. Then, Napa County can approve the final environmental document, and pave the way for the nation's largest gold producer to apply for the county permits necessary to blast away to extract 30,000 tons of rock a day from the previously wild region.

The Yolo County Planning Commission must approve the permits to allow Homestake to build a 5,000-6,000 acre-foot reservoir and one-fifth of the mile-long, 2,000-foot-wide open pit mine in Yolo County.

However, Yolo County does not have the authority to approve the final environmental impact report, a fact which led the commission Wednesday to resolve to ask Napa County to at least permit it to comment on the final document.

Lake County, which, like Yolo County, is restricted to an advisory role, would be the home of the gold processing mill. According to Homestake's plan, the reservoir water would be used to separate some 5,800 tons of gold ore each day from the rock. The low-grade ore would then be piped five miles to the Lake County mill, where the precious metal would be recovered.

If approved, the McLaughlin Project, once the site of the old Manhattan mercury mine, will operate round-the-clock, five days a week. It will employ 234 permanent workers, with an annual take-home payroll of $5.4 million.

It will also alter the face of the tri-county region, eliminating rich farmland, wildlife habitats and sensitive flora; bringing more traffic and people; and posing the danger of spills of hazardous chemicals, according to the environmental report.

For some of the Capay Vally residents who spoke to the commission Wednesday, these impacts were enough to enlist their opposition to the project. Other rural residents insisted that the environmental report understated the potential problems and failed to fully address the threat of air pollution and chemical contamination.

"There is no way you should ask citizens to take unknown risks," said Robert Speirs, of Brooks.

Speirs argued that the environmental report failed to address the air pollution which could be caused by the mine's release of 2,000 tons of dust each year and the lead and mercury which he said might be coupled with the dust.

Speirs charged that the environmental report also failed to address the dangers of the cyanide which will be used in the gold extraction or the asbestos which he said will released due to mining.

Rumsey resident Grace Tisdell said she fears the "toxic dust" from the mine will filter down over the Capay Valley, hurting her oranges and the numerous almond orchards.

"The (environmental impact report) is the beginning of the end, as far as I can see," she said. "I think there are a lot of problems involved and I don't think we're asking for too much for a little more time."

But the phalanx of Homestake representatives urged the commission to "keep us on schedule" and approve the draft environmental impact report.

"The answers are all there," said Ray Krauss. He and his colleagues insisted the company planned to run a pollution-free mine, monitored by their own company and in compliance with state and federal health and safety regulations.

Clear Lake Observer
American
Vol. 45, No. 17
7 Sections, 56 Pages
Thursday, April 28, 1983
Price 25¢
LAKE COUNTY'S HOME OWNED, COUNTY WIDE NEWSPAPER

Napa planners delay Homestake EIR

By Doug Ernst

NAPA — Yolo County Planning Commissioners succeeded Monday in delaying the certification of the McLaughlin Gold project draft Environmental Impact Report (EIR) but fell short of their requested 60 day postponement.

The draft EIR was scheduled for certification by the Napa County Conservation, Development and Planning Commission on May 4, but will not be certified until all three counties involved in the mine project have a chance to hold hearings on the final EIR, Napa Planners agreed on a three to one vote.

Napa Planners on May 4 will approve a schedule for hearings on the final EIR in Lake, Yolo and Napa counties.

After closing the public hearing on the draft EIR and after making their decision, the Napa Commissioners made a quick exit.

"I'm not happy," said Jan Lowrey, chairman of the Yolo County Planning Commission which agreed to ask for a 60-day continuance so that more people could be heard on the draft EIR.

Because most of the gold to be extracted from the mine is located in Napa County and because Napa is centrally located, Napa County was selected as lead agency for the project and was given power to certify the draft and final environmental documents.

"This procedure is alien to us," Lowery said. "But the Napa Commission made the best decision they could make within the time frame they had to work with."

Jack Thompson, McLaughlin project manager for Homestake Mining Company (HMC) also was not entirely happy with the Napa Commission decision.

"Any postponement past May 4 will hurt," said Thompson, who last week said a 60 day delay by the commission could mean a nine month delay in construction and preparation of the mine.

"Still", Thompson conceded, "This is an improvement over a 60 day delay."

Early in the meeting, HMC Executive William Humphreys told the commission that the company must complete dams and roads and prepare the mine and mill site for a foundation before the rainy season which typically begins in November.

"The latest we could break ground is July 4," Humphreys said.

Napa County Planning Commissioners must certify the draft EIR before Homestake can begin to acquire permits necessary for mine and mill site preparation.

Monday's meeting was packed with Homestake consultants and concerned citizens who argued throughout the four hour hearing about the completeness of the draft EIR hearing and the public hearing process.

Lowrey said the public did not have adequate time to comment on the document, despite one hearing in Lake County and two hearings each in Napa and Yolo counties.

Bob Reynolds, with Lake County Air Pollution Control District, said the draft EIR failed to suggest a solution to the possible pollution of air and water with asbestos fibres — a product of the open pit mine operation.

In addition, Reynolds said the draft EIR should require continuous monitoring of emissions, with alarms, and a ban on mine related traffic through residential areas or during the night.

Nadine Calvert and Corrine Barker told commissioners they planned to retire on property their families have owned for years, but that the mine threatens their plans.

Yolo County walnut, orange and almond farmers John Cetras and Avery Tindel told commissioners that airborne particles from the mine, six miles to the west, threatens their livelihood.

Tindel said the mine is expected to generate 15,000 pounds of dust particles a day, while Cetras said some of the dust will be hazardous asbestos, mercury and cyanide.

However, testimony was also receiv-

• please turn to back page

HOMESTAKE EIR

Continued from page one

ed from persons arguing that pollution can and will be carefully monitored and controlled.

"The draft EIR is a very complete and sensitive document," said Jack Streblow, president of Napa's Basalt Rock Company.

"It is important to note the high reputation that HMC has as a responsible mine operator, going back for more than a century. These people have the capability to control environmental effects of the gold mine project," Streblow said.

Ray Krause, Homestake's Environmental Manager for the project said, the company has taken unprecedented measures to be sure the mine's effects are adequately mitigated.

"We are committed to local hiring and we understood Lake County's concern that the project not impact on local schools. We have already met to discuss training opportunities for local workers," Krause said.

Dave Crouch, HMC Corporate Manager for Environmental Affairs said dust particles generated from the mine project will fall onto HMC property within one and a half kilometers of the open pit.

Less than a gram of asbestos dust will be generated daily, he said.

Hydrogen cyanide dust generated will be one tenth of the acceptable level for worker exposure, he added.

And he said, "There will be insignificant emissions of mercury."

"None of the regulated pollutants from the operation will reach or exceed 50 percent of the accepted state standards," Crouch said.

APPENDIX C

HARRY CONGER

from San Francisco Chronicle,
May 13, 1981.

$1.5 Billion Napa Gold Bonanza

By Lloyd Watson

Homestake Mining Co.'s Napa county gold discovery is at least three times bigger than was originally estimated when the find was announced last August and is now valued at over $1.5 billion, Homestake president Harry M. Conger said yesterday.

The discovery, near Knoxville, about 20 miles north of Lake Berryessa, was initially believed to contain one million ounces of gold, which, with gold then selling for $633 an ounce, was worth $633 million.

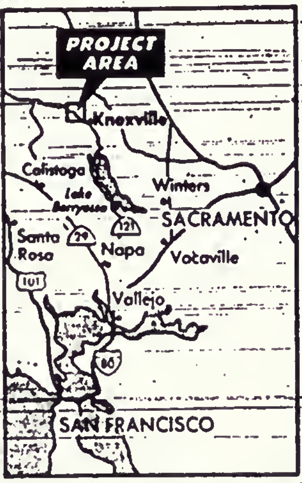
New "conservative" estimates, based on the drilling of over 200 exploratory holes, Conger said, now put the size of the deposit at a minimum of 3.2 million ounces, which at yesterday's $481 per ounce gold price gives the project a current market value of $1.54 billion.

On Wall Street, trading in Homestake stock was halted for almost 3 hours. The stock closed the day at $63.75, up $3.50 a share, on turnover of 144,700 shares.

Conger made the disclosure to 175 shareholders attending the company's annual meeting in San Francisco yesterday morning.

He said drilling is continuing to determine the full extent of the discovery, which has been named the McLaughlin Mine, after Homestake's retired board chairman, 89-year-old Donald H. McLaughlin, who was present at the meeting.

The gold is in miniscule particles, not visible to the naked eye, and will be mined mostly by surface methods.



"We believe the open pit reserves will be substantially larger than those already developed," Conger said, "but at a slightly lower grade. In addition, we have encountered higher grade gold mineralization at depth, some of which will likely be below present open pit limits."

He said production is expected to begin in 1984 and should be "considerably" larger than the 100,000 ounces a year that had been anticipated.

The operation will require a workforce of about 200, but it is too early to specify the size or cost of the mill that will be needed, Conger said.

He said he sees no serious environmental opposition since the region is remote and sparsely populated.

Homestake "controls" roughly 40 square miles of property in the three-county area where the Napa, Lake and Yolo county lines meet.

GOLD
NUGGETS

- Gold is resistant to corrosion—it will never rust or tarnish.
- Gold is the most ductile of all metals—meaning that a single ounce of gold can be stretched into a wire more than 5 miles long.
- Gold's malleability is unparalleled. An ounce of gold can be hammered into a 100 square foot sheet.
- Gold's purity allows it to be a highly reflective material. It is also an excellent conductor of heat.
- Gold is completely recyclable.
- The only precious element heavier than gold is platinum.
- The total amount of gold ever mined is 3.8 billion ounces. More than half of that has been mined since 1850.
- All of the gold ever mined in the world fits into one-third of the Washington Monument.
- The world's largest cache of gold is housed at the Federal Reserve Bank in New York. It holds 320 million ounces of gold representing the interests of 40 countries.
- The U.S. government is the largest owner of gold in the world, with almost 262 million ounces stored throughout the country. Over half of this gold, 147 million ounces, is housed at the Fort Knox Bullion Depository in Kentucky.
- In 1980, the United States mined approximately one million ounces of gold. Today it produces nearly 11 million ounces.
- Since 1980, more than $13 billion has been invested in the exploration and development of new mines by the gold industry in the United States.
- Nevada leads the United States in gold production. Other leading gold producing states include California, Idaho, Montana, South Dakota and Alaska.
- The United States is the world's number two producer of gold—behind South Africa and ahead of Canada, Australia, China and the Commonwealth of Independent States. (If current growth continues, the United States might claim the number one position by the year 2000).
- The gold mining industry is responsible for more than 86,000 jobs in the United States. The average miner earns $41,535 per year—well over the national average.
- The U.S. gold mining industry annually contributes more than half a billion dollars in federal, state and local income taxes.
- Sixty-one percent of the gold mined in the United States goes toward uses other than jewelry. These uses include coinage, medical and dental applications, electronics, scientific research and exports.
- Gold mining has touched less than a quarter of one percent of all of the land in the United States.
- Investment in technology, training and equipment has made the U.S. gold mining industry the safest and most environmentally responsible in the world.

NOTHING WORKS LIKE
GOLD
FROM AMERICA

THE GOLD INSTITUTE
1112 SIXTEENTH STREET, N.W., SUITE 240
WASHINGTON, D.C. 20036
PHONE: 202/835-0185
FAX: 202/835-0155

A Special Recognition

To
HARRY M. CONGER
Chairman &
Chief Executive Officer

Harry's long-standing commitment to employee safety and health was evident early in his career with Homestake. As he assumed the President's responsibilities he communicated his vision of a mining company without accidents or injuries. He fostered a belief that good safety performance and good productivity go hand in hand and that one is not possible unless the other is also achieved.

One of Harry's first actions at Homestake was to create the necessary safety, health, and environmental resources and senior management focus at the corporate level. He directed the development of corporate-level policies that focused the organization on these important issues and provided the framework to achieve the vision he had for the Company.

Harry's leadership has been the driving force behind the Company's 71% reduction in the injury rate for our U.S. operations since 1980. Our worldwide rate of lost-time injuries likewise has been reduced to levels comparable to the rates experienced by the finance, insurance, and real estate industries in the U.S.

He applied the same leadership to environmental issues. As an example, Harry's efforts led to the successful permitting of the McLaughlin mine by the Company in a location where many said it was impossible. The Company was recognized by the Sierra Club as well as the U.S. Congress for the manner in which the concerns of all interested parties associated with McLaughlin were addressed.

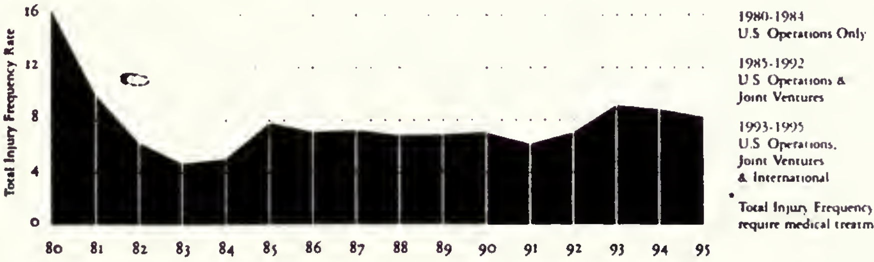
In early 1983, two of the Company's facilities, Grants and Whitewood Creek, were listed on the U.S. Environmental Protection Agency's National Priorities List (NPL). Harry's leadership and early interaction with the Agencies established credibility for the Company. The resulting cooperative relationships allowed the Company to manage the evaluations and remedial activities of these sites. The Consent Decrees and Orders for the sites have been terminated as a result of successful completion of remedial actions, and the Whitewood Creek site is at the final stages of deletion from the NPL.

He instilled a strong commitment to continual improvement by establishing formal Board of Directors oversight of the Company's environmental, health, and safety responsibilities and activities; and the reporting of the results of the Company's efforts to interested parties in an annual report.

Perhaps the single most symbolic and effective example of Harry's environmental, health, and safety leadership is the internal tradition at Homestake of first reporting on safety and environmental performance as an integral part of each operation's report. This tradition will serve us well in the future.

Harry began his career with Homestake in 1975 as Vice-President and General Manager of Base Metals. In 1977 he was made President and in 1978 Chief Executive Officer. He will be turning over the Chief Executive Officer responsibilities to Homestake President Jack E. Thompson this year.

Homestake Mining Company
Total Injury Frequency Rates* (1980-1995)



* Total Injury Frequency Rate – All work-related injuries that require medical treatment other than first-aid per 200,000 hours of work

APPENDIX D

JAY CORLEY

SECTION II

PERMITTING

SUMMARY

Obtaining the permits for development of the McLaughlin Gold Mine was very complex because of the geographic location of the project and the fast track schedule. In order to meet the demands of the schedule a proactive approach was used by the permitting team and a number of innovative techniques were developed to assure timely execution of this task. Coordination among the permitting team, the engineering design group, the field construction staff and agency personnel was accomplished by using a modified Critical Path Method (CPM) schedule approach. This resulted in the completion of a state-of-the-art gold mining and processing facility well ahead of schedule. More than 300 environmental and construction permits were obtained to achieve this goal (Figure 2).

OBJECTIVES

The permitting team's objective was to obtain the necessary environmental and construction permits for the largest gold mine and processing complex to be built in modern times in California on a timely basis. Although gold mining has played an important role in the development of California, it is now considered mainly to be of historical and recreational interest. There have been, however, a few recent reworkings of the Mother Lode gold mines. In 1976, Homestake's exploration geologists, using new theories, discovered the largest twentieth century gold mine in California near the intersection of Lake, Napa, and Yolo Counties. This discovery was at the Manhattan Mine, a part of the historical Knoxville Mining District where mercury has been extracted since the 1850's.

The ore body is located at the northern tip of Napa County, the home of the famed Napa Valley wine growing area, and is some 70 air miles north of San Francisco, the center of the modern environmental movement. The ore body is transected by the boundary between Napa and Yolo Counties. Geotechnical studies examined 37 candidate sites before the tailings pond was sited about five miles to the northwest of the ore body in Lake County. The waste rock dump, located by the same geotechnical studies, is partially on lands under the jurisdiction of the

Bureau of Land Management (BLM). In addition, the project involves lands in three different air quality districts, two State Fish and Game regions and is subject to the jurisdiction of a variety of state special purpose agencies. This combination of multiple County, State, and Federal jurisdictions complicated the permitting process because none of these agencies had experience in the permitting of large modern gold mines. Fortunately, the BLM staff had overseen the permitting of large mines in other areas of the country.

The ore body is located in a remote area 18 miles from the nearest state highway. Prior to mine development, it was served by unimproved or poorly paved county roads. The nearest electric power or telephone service was also 18 miles away. Ground water is of poor quality and in very limited supply. The surface streams are dry half of the year. Thus, in addition to constructing the mining complex, substantial infrastructure had to be developed.

TECHNIQUES USED

In order to accomplish overall permitting objectives, the permitting team adopted a proactive approach. This approach involved the early identification of all parties involved in the permitting process and the anticipation of the concerns and the needs of these parties. Interested parties included regulatory agencies, project neighbors, environmental groups and potential intervenors as well as contractors, vendors and other direct beneficiaries of the project.

The needs of the agencies are outlined in the statutes and the administrative rules and regulations. Individual tailoring of information submittals involving special technical studies was often required to meet specific or area concerns. In addition, some individual citizens were fearful of change, and in particular, suspect of large corporations. Their fears were reinforced by the presence of abandoned mining facilities resulting from activities which had occurred before modern day environmental legislation and controls were in place. The goal of the proactive approach was to provide, in so far as possible in advance of the question, the materials required to fulfill the permitting requirements and to allay the concerns and fears of agency personnel and involved citizens. Design studies were prepared for issues expected to be raised such as water quality aspects of waste rock and tailings disposal. Being prepared for such questions creates a positive project image rather than one that is reactive and defensive.

Regulatory staff were invited to review and provide comments on siting and design study work programs while the scope of work was still flexible and could be changed without serious cost impacts. Similarly, regulators and potential intervenors were consulted about project siting and design during the conceptual design when suggestions could be reasonably incorporated into the project.

The permitting team included individuals who devoted either full or part time to the team effort. Full time team members were personnel from Homestake Mining Company's (HMC) McLaughlin Gold Project and Corporate Headquarters in San Francisco, and personnel from the Environmental Services Group of Davy McKee Corporation (DMC), the firm responsible for engineering, procurement and construction of the McLauglin Gold Project. Part time members were attorneys, engineers, and technical specialists who brought specific expertise to some portion of the project. These specialists rendered valuable technical support to these primary team members who would assume key roles on the McLaughlin operating staff when the project was completed and the mine in production. It was decided that the personnel who would work at the mine and live in that community be the ones, if at all possible, to make the public statements and to provide testimony.

One of the early tasks undertaken by the permitting team was to conduct comprehensive environmental baseline studies. This task was coordinated by D'Appolonia Consulting Engineers, Inc. Teams of scientists examined over ten thousand acres which could have been utilized in some fashion by the mining project. The results of these studies were published in a three volume set entitled "Environmental Report, McLaughlin Gold Project." A fourth companion volume was prepared as soon as sufficient engineering information was available. This volume was entitled "Project Description/Environmental Assessment" (PD/EA). These four volumes served as the basic information that was provided to each of the various agencies involved in permitting the project, as well as to other interested individuals and organizations.

Immediately following the public announcement of the McLaughlin discovery, the permitting team initiated a series of meetings with various agency, community, and service groups. Most of these meetings were supported with slides showing current and future activities at the mine. These meetings served to keep the community informed about the progress of the project and provided individuals with the opportunity to obtain direct answers to various questions. Misinformation regarding the project was clarified during these sessions.

Permit application preparation began with early consultation between the permit team members and representatives of the regulatory agencies. This allowed for further discussion of the individual permit applications and standardization of requirements. Of particular concern were the current workloads and turn-around times during various portions of the review, hearing or appeal processes. Regulatory staff were invited to tour the project site and those lacking mining experience were offered tours of similar mines in Nevada. This early consultation was essential to the team's ability to maintain tight schedules during the formal permitting process.

DMC's Environmental Services Group was assigned responsibility for preparing the permit application documents. This group was supported by the legal and technical consultants assigned to the permitting team. All of the nondiscretionary (i.e. building permits, grading permits, etc.) construction permits and permit modifications were also the responsibility of the DMC group. As these permit applications were developed, they were issued to HMC for technical and legal review prior to submission to the regulatory agencies. The descretionary permits usually required the signature of an officer of HMC, whereas most of the balance of the permits were signed by DMC as Agent for HMC.

Scheduling of a comprehensive list of all required permits was accomplished by using a modified form of Critical Path Method (CPM). The schedule also contained the necessary information required for the preparation of each permit application. This allowed permitting to become fully interrelated with the engineering design and construction phase of the project. By tieing permitting to engineering and construction schedule, adjustments could be made in all three of these areas. This assured that pertinent information became available to the permitting team on a timely basis and removed the possibility of constraints on the engineering and construction schedules. In addition to the primary control schedules, alternates were made to the engineering schedule to assure that data was available as required. The CPM network became lengthy and complex in view of the large number of widely diversified permits required. This schedule was monitored closely, updated monthly and modified on a timely basis to insure that it did not become cumbersome and unworkable. Approved permits were placed in a separate format, thus allowing the CPM network to deal only with permit applications under preparation or review.

A number of meetings were held at the DMC offices during the early phases of the project in order to communicate with individuals and agencies who had similar authority and interests. Meetings were established for all of the three counties counsels, planning departments, building inspection departments, and public works departments. These meetings were hosted by both DMC and HMC. Individuals were guided through the entire extraction process as it was being engineered and were introduced to the scheduling procedures, as well as details of the permit applications. The chief purpose of these meetings was to acquaint the individuals with the complexity of the project and to alert them to the project schedule. Feedback from these sessions allowed the permitting team to anticipate permit processing time and to schedule submittals accordingly. Thus, prior to the submittal of permit applications, regulators were familiar with the process and the different types of materials that they would receive. Schedules for the submittal of the various drawings and specifications were developed and provided to each agency.

A number of exhibits were prepared. In some cases these exhibits were excerpts from the Environmental Report and the PD/EA. Enlarged color drawings showed the overall site plan, mining plan, crushing and grinding area, process area, soils, geology, vegetation, landslide prone areas, and wildlife habitat. In addition, perspective drawings were made showing both before and after views of the more important structures such as the mine, reservoir, waste rock disposal area, process facilities, and tailings dam and reservoir.

It became immediately apparent that a large number of persons living in the immediate proximity of the project site could not look at a blue print and visualize what the completed plant would look like. Visual aids, graphic presentations and other innovative communications methods were used to convey this information to those persons lacking technical backgrounds. One particulary effective exhibit was a butt mosaic using color aerial photos of the area with superimposed overlays showing the location of various project facilities. Later, a three dimensional topographic scale model of the project area was prepared. This exhibit proved to be most effective in showing the location of the various project facilities. Inserts showed the mine, tailings and process areas after reclamation. This model was useful in describing project facilities and their locations to public officials, agency representatives, and most importantly, persons residing adjacent to the project site. Physical models built to scale of almost all project facilities were constructed for engineering, training, maintenance, and future planning purposes. Several of these model bases were also used at public exhibitions. Exhibit displays using both graphic and photographic materials, were constructed. Included were video tapes showing major events, and construction activities at the project site.

A monthly news letter, "McLaughlin Gold Project Report," was published and distributed widely. The four page tabloid reported progress, highlighted various portions of the project, the people involved in the project, and made liberal use of figures and photographs to convey information. This report was distributed to public officials, agency representatives, interested citizens, employees, construction workers, and the general public.

ENVIRONMENTAL IMPACT REPORT/ENVIRONMENTAL IMPACT STATEMENT

Early in the development of the project, HMC worked with representatives of the three counties and the BLM to develop a single Environmental Impact Report/Environmental Impact Statement (EIR/EIS) acceptable to each agency. A committee, the Environmental Data Advisory Committee (EDAC), was established with membership from each of the three counties and the BLM (Figure 1-A).

Napa County was selected by the Committee to act as the lead agency for the preparation of the EIR/EIS. Lake and Yolo Counties were established as responsible agencies under the California Environmental Quality Act (CEQA). The BLM served as the lead agency under the National Environmental Protection Act (NEPA) to assure that the document also met federal requirements. These procedures were formalized in a Memorandum of Understanding (MOU), signed by HMC, the three counties and the BLM.

EDAC initially met to review the environmental baseline data included in the Environmental Report and to determine its adequacy as the basis for the EIR/EIS. The PD/EA, submitted to each of the various jurisdictions, was then used by Napa County and the BLM in the preparation of the joint EIR/EIS as provided by the MOU. A third party contractor was selected by EDAC to prepare the EIR/EIS. HMC was required to fund the contract and Napa County administered the contract and supervised the consultants. A total of 25 public hearings, workshops and EDAC meetings were held during the process in various locations in the three counties to accept agency and public comments on the draft document. The draft EIR/EIS was then reissued as a proposed final EIR/EIS. The final EIR/EIS was certified by the lead agencies on July 6, 1983, nine months after the lead agency permit applications were submitted and the process begun.

The EIR/EIS contained 195 mitigations of which 72 were volunteered in the PD/EA by HMC. These mitigation measures covered areas such as environmental monitoring, seismicity, erosion control, hydrology, surface water quality, ground water quality, aquatic wildlife, terrestrial wildlife, vegetation, climate, air quality, noise, vibration, transportation and circulation, visual resources, land use, socioeconomics, cultural resources, public health, safety, energy, and reclamation/revegetation.

The EDAC members agreed to allow the individual counties to accept and approve permit applications associated with early construction activities once the EIR/EIS was certified. These early construction activities were beyond the requirements of the major county, federal, and state permit applications, which were being processed.

LAKE, NAPA, AND YOLO COUNTY PERMITS

The Lake County Department of Public Works issued a temporary encroachment permit which provided for repair of winter damage and smoothing out of some curves of the Morgan Valley Road. This permit was significant because it made it possible to move heavy construction equipment to the site (Figures 1-K and 1-L). On September 2, 1983, Lake and Napa Counties issued grading and encroachment permits to allow for the improvement or realignment of approximately 18 miles of county roads (Figure 1-E). Later Yolo County Public Works and Transportation Department issued a permit to construct three miles of the Rayhouse Road (Figure 1-N).

Other early permits allowed for the construction of internal roads, picnic area, construction staging areas, aggregate crushing facilities, concrete batch plants, top soil stockpiles, sediment ponds and dams, electric transmission lines, and a park and ride facility for construction workers (Figure 1-T).

The Use Permits in each of the three counties included approval under the State Surface Mining and Reclamation Act (SMARA), of reclamation plans, as well as various rezonings and the cancellation of a Williamson Act agreement in one of the counties. Lake County permitting included approval of 10 individual "Specific Plans of Development" covering the areas of noise mitigation, socioeconomics, traffic management, erosion and sediment control, emergency response, fire management, solid waste disposal, spill contingency and hazardous waste plans, local hiring and training, and environmental monitoring. During construction the permitting team processed nine minor modifications to the Lake County Use Permits (Figure 1-J). In Napa County eight modifications to the Use Permit were approved while only four were required in Yolo County (Figures 1-C and 1-M).

Authorities to Construct and Permits to Operate were required from each of three air quality districts with authority to regulate air quality impacts of the mine and processing facilities (Figures 1-B, 1-F, and 1-O). The permit for the truck shop and crushing and grinding facilities involved some eight emission points (sources), whereas the mine had a number of non-point emission sources (Figure 4). There were 23 air emission points in the process area (Figure 5). In addition, 23 Air Quality Permits were obtained for construction facilities such as concrete batch plants, asphalt batch plants, and aggregate crushing facilities.

A total of 38 individual building permits were required among the three counties (Figures 1-C, 1-G and 1-M). The two required in Yolo County were administered by Napa County as a matter of convenience. The facilities in Napa County required 32 individual permits, whereas, the more complex facilities in Lake County were covered under one permit. Three additional building permits were required by Lake County for facilities added at the end of the construction and not covered in the original plans. This demonstrates obvious differences in operating philosophy between two county agencies charged with enforcing the same Uniform Building Code.

The Environmental Health Departments of Lake and Napa County issued permits for four potable water systems and five sanitary and industrial waste ponds (Figures 1-D and 1-H).

FEDERAL AND STATE PERMITS

Critical path scheduling indicated that the first permit applications necessary for the project were for water appropriations in two streams serving the project area (Figure 1-X). When the various facilities of the mine complex were all finally located, two additional water appropriations were filed along with a temporary water appropriation utilized during construction activities.

The BLM approved the project in two stages (Figures 1-P and 1-Q). The first stage allowed for the early construction activities while the second stage covered the entire operation. Modifications to the Plan of Operation allowing for construction changes resulted from a redesign of the waste rock sediment control facilities and the addition of a continuous water quality monitoring station downstream of the project activities. In addition, four Right-of-Way Grants, two for roads, one for a transmission line, and one for water wells were required. Three modifications to these Right-of-Way Grants accommodated design changes.

The Central Valley Regional Water Quality Control Board issued the National Pollutant Discharge Elimination System (NPDES) and Waste Discharge Permits, the latter of which also included approval of a solid waste disposal area (Figure 1-W). These permits were also issued in two stages, the first allowing early construction activities and the latter for the operation of the mine.

The State Division of Safety of Dams (DSOD) held jurisdiction for three structures at the project (Figure 1-U), the Tailings Dam, the Davis Creek Reservoir Dam, and the M-1 Sediment Dam. An additional nine sediment dams and various check dams constructed at the project were not subject to DSOD's jurisdiction. The DSOD approvals were granted in stages throughout construction based on field inspection and test data. Each construction phase was authorized in writing upon completion of the previous phase. The end result was a very site specific approach to insure the safety of the dams being constructed in a seismically active area. This approach resulted in a substantial commitment of time from DMC field engineers and an ongoing uncertainty regarding final cost of the structures.

Encroachment Permits were acquired from the California Department of Transportation (CALTRANS) for improvements to Route 53, required as a condition of approval of the Lake County Use Permit for the park and ride facility (Figure 1-V). Improvements required included widening of Kugelman Road and Route 53, in the vicinity of the park and ride facility. A second Encroachment Permit was obtained for a temporary traffic signal at the intersection of Route 53 with Kugelman Road. Approval of this permit application for a temporary traffic signal was supported by the California Highway Partol and several Lake County agencies to facilitate traffic generated by construction workers entering and leaving the park and ride lot during the three shift changes daily.

Regulation of the tailings disposal facility by the State Department of Health Services depended upon a determination of the "hazardousness" of the waste based on an extraction test and a fish bioassay. Analysis of pilot plant produced tailings indicated that the McLaughlin tailings would not be hazardous (Figure 1-R). The Department agreed that no Health Services permit would be required, subject to further testing of the tailings during operations. These subsequent tests of the tailings have confirmed that McLaughlin tailings are non-hazardous. Nonetheless, the technical staff of the Department was invited to review the siting studies and site investigations and to provide input to the dam design and monitoring plans.

The 73 Stream Alteration Permits obtained from the California Department of Fish and Game were the greatest number issued by any single agency (Figure 1-S). This was simply the result of the large areas covered by the project, the 21 miles of county roads reconstructed, the many miles of private access roads, transmission lines, slurry pipelines, and the 12 dams associated with the project.

AREAS OF CONCERN

Interaction with permitting agencies did not end with the issuance of a permit. Each agency had its own procedures to determine compliance with permit conditions. The permitting team worked closely with construction personnel to assure such compliance. Not a day passed during the construction period without at least one inspector on site; it was also not uncommon for several inspectors to arrive on site simultaneously. In some cases compliance was a very subjective matter requiring careful negotiation with each inspector to assure clear interpretation of the various rules and regulations. This allowed confidence to develop on both sides, while resulting in a gradual reduction in the frequency and intensity of inspections.

Because of the geological suitability of the chosen tailings disposal area, the processing facility and the tailings dam and pond were located five miles from the ore body at a 500 foot higher elevation. Therefore, one of the early engineering studies required an evaluation of material handling. The choices considered were a haul road which utilized mine trucks, a belt conveyor system, and slurry pipelines. This study examined the engineering feasibility, economics, and environmental impacts of the three alernatives. The chosen alternative was the slurry pipeline which operates at high pressure to move a 50 percent slurry with the ore being 80 percent at minus 200 mesh. The study concluded that the chosen alternative had lowest capital cost, lowest operating cost and lowest environmental impact. The permitting agencies responded positively to selection of the low environmental impact alternative.

The pipelines were placed underground for environmental and security reasons. As the pipeline traverses the five miles, there are six topographical low points. At these six points, collection ponds were built to retain the slurry in the unforeseen event of a pipeline failure. Controls were designed into the system to provide an automatic shutdown of the pumps in the event of a rupture in the pipelines.

The conceptual design study for the McLaughlin Gold Mine located the process facility in a meadow in the Morgan Valley four and one-half miles from the ore body, with the tailings pond located one-half mile further north in a valley over one more ridge. A study was conducted which evaluated engineering design, economics, and environmental impacts of alternative sites for the processing plant. The meadow, bisected by Hunting Creek, maintained a shallow water table which would have increased the cost of the foundations for the process facility and required more berming to assure that accidental spills would not reach Hunting Creek. In addition, the pumping under pressure of the tailings slurry containing cyanide was of environmental concern. This study resulted in the selection of a new process site on top of a hill, adjacent to the tailings pond. Tailings could now be piped down hill to the tailings pond. Failure of process plant containment would result in discharge to the tailings pond and not into area streams. In addition, the grading of this hilltop to accommodate the process facilities, provided materials used in the construction of the tailings dam.

The serpentine soils in the project area support 26 species of threatened plants. Identified during the baseline studies, these populations faced a high potential for destruction during the construction of the facilities. Early in the engineering design phase, meetings were arranged by the DMC environmental staff between the botanist who conducted the threatened plant studies and DMC engineers involved in the design of roads, pipelines and other project facilities. By working with these two groups, priorities were established and 26 threatened plants were ranked according to their rarity. By doing this early in the engineering design phase, we were able to adjust roadways, pipelines, transmission lines, and facilities to avoid as many threatened plants as possible. Where it was impossible to avoid them, we were able to save the more rare ones based on the ranking. By doing this early during the design, the cost of engineering changes was kept to a minimum. Findings were confirmed in the field; populations located close to construction activities were flagged or fenced to assure no inadvertent disturbance. These efforts reduced to a minimum the percentage of threatened plants that were disturbed.

Members of the California Native Plant Society and students from the University of California at Davis were enlisted in a program to transplant or propagate many of these threatened plants in test plots in the project area. On several occasions construction equipment was made available to aid in the transplanting of these threatened plants from construction areas to the test plots.

When the EIR/EIS was certified on July 6, 1983, by Napa County as the lead State Agency and the BLM as the lead Federal Agency, it contained some 195 potential mitigations. A total of 72 of these mitigations had been proposed by HMC in the PD/EA. By proposing our own mitigation measures, the requirements were ultimately more cost effective and thus more acceptable to HMC than might otherwise have been.

During the baseline studies, a variety of historic and prehistoric archaeological sites were located by a team from the Anthropological Studies Center of Sonoma State University. Those sites which could not be avoided by construction activities were studied further, the information contained in the site was documented and the sites were then released for construction. Sites not subject to direct disturbance but adjacent to construction areas required protection. The location of these sites is guarded information to protect them from being vandalized. We needed to maintain the security of this information and yet make it available to the engineers and contractors so that they could maintain the integrity of these sites during construction. A drawing superimposed upon the general facilities plan, called Restricted Environmental Areas (REA), was prepared. This REA designation was given to all the archaeological, historical, and threatened plant sites, providing a tool which could be used by the engineers and contractors to avoid these areas, and yet maintain the security required by the archaeologists. The REA sites that were in close proximity to the construction activities were fenced to further assure their security. This work was coordinated by one of the archaeology team members, who was retained onsite by DMC during the height of construction activities.

An important milestone for the permitting team was the agreement reached with EDAC that the jurisdictions could approve various early construction activities. Included was the production of aggregate from the overburden of the ore body. This provided a source of base, subbase, drain rock, and sand needed in the construction of the county roads and various project facilities. In addition, the construction of county roads, construction camps, park and ride facilities, and a transmission line corridor, as well as site grading, was allowed to proceed in advance of the issuance of final permits. These early construction activities resulted in a more economical and feasible utilization of the construction personnel and equipment and more importantly, improved our ability to stay on the fast track schedule.

In excess of 1500 engineering drawings needed to be approved and stamped by various agencies, with the greatest number being approved by either the Lake or Napa Building Inspection Departments. Coordination with these agencies began early in the design engineering phase. We conducted many individual and group meetings with department personnel to prepare for a timely scheduling of their approval of these drawings. In order to improve this coordination, the chief mechanical engineering designer visited the Lake and Napa Building Inspection Departments weekly during the peak of this review process. This proved to be an extremely valuable procedure as it allowed for a timely and efficient transfer of information to the agencies which hastened their approval process.

Despite the fact that project impacts in Yolo County were limited to the construction of a fresh water reservoir and that because of the nature of the roadways and terrain, the population of Yolo County is remote from the project site, a small core of dedicated project opponents developed in the Capay Valley, approximately ten miles east of the mine. Consequently HMC felt it important to actively solicit support for the project from other Yolo County residents. In order to improve the dissemination of project information to interested citizens in Yolo County, an office was opened in Woodland, the County Seat. The facility was staffed by HMC employees and contained copies of the permitting documents and the various exhibit materials. This contributed to a better understanding of the project by the citizens of Yolo County and to the formation of a group of active project proponents who were vocal during the permit public hearings.

As the permit hearings continued it became clear that the technical basis for the project design was sound and that opposition to the issuance of the permits was limited to a very few people who were philosophically opposed to all mining.

The focus of the hearings was gradually reduced to the adequacy of proposals for HMC's monitoring plan and a further review of monitoring issues particular to Yolo County. It was found useful to hold "workshops" to provide a more detailed presentation of technical issues by individual experts and HMC personnel. This also provided more time for response to questions from county elected, appointed, and staff personnel, as well as interested citizens. Having resolved various technical issues in these workshops, the normal hearing process proceeded in a more timely fashion.

One by-product of multi-agency jurisdiction, was that several seed mixture requirements were recommended by various agencies in their individual permitting process for revegetation and reclamation. In order to resolve this regulatory quandary, a meeting of representatives from all of the involved agencies was arranged so that we could agree upon a single seed mixture. This greatly simplified the bidding, supervision and conduct of the revegetation program by a subcontractor.

Many of the mitigations included in the EIR/EIS and required by various agencies related to sediment and erosion control. Figure 6 shows examples of the temporary and permanent sediment control structures, placed during construction. Additional structures were placed fourteen miles along the Morgan Valley Road west of the process area. Annually during the construction a report on sediment and erosion control was prepared and issued to the various agencies. Ultimately some 99 temporary and permanent structures were located throughout the project area. The structures were maintained throughout the construction period while revegetation was accomplished and permanent construction completed. The California Department of Fish and Game stated that the streams were actually cleaner during the construction process than they were before construction began.

The concrete batch plants used during construction were computer controlled and equipped with baghouses to control dust emissions during loading and batching operations. Despite these controls we found that particles of unwetted cement were being expelled from the concrete mixing truck drums during batching. Variations in the batching process and the addition of water sprays in the immediate area did not adequately control the problem. A series of modifications to the batching port were made. A sheet rubber bonnet surrounding the batching port along with a centrifugal fan, flexible ducts, and a baghouse, cured the problem. The solution required the cooperation of HMC, DMC, the subcontractor, and the various air quality agencies.

In some circumstances, the rules and regulations enforced by some agencies appeared to be contradictory. For example, during the removal of the overburden, literally dozens of various types of construction equipment powered by the same or similar diesel engine type operated unregulated by the air control agencies as "mobile sources" and were exempted from permit requirements by their regulations. These pieces of equipment were operated with the factory installed emission controls. The same type of diesel engine was also used to power generators to operate the temporary aggregate crushing facilities. These portable diesel engines and generators were actually built into trailer trucks. Because these trucks were parked, they were designated as point sources rather than mobile sources. Therefore, the rules and regulations of the local agency required that expensive source testing be conducted on these diesel engines.

A park and ride facility for 600 vehicles was constructed in Lower Lake, approximately 14 miles from the process site and 18 miles from the ore body. At peak construction, over 1200 employees used this park and ride facility. Buses transported the great majority of these construction workers to and from the site. This reduced the traffic and noise along the Morgan Valley Road and allowed construction work to proceed on the road and at the project simultaneously. Despite improvements to the state highway and the county road fronting the Lower Lake parking lot, major traffic problems occurred at this intersection during shift changes. The California Department of Transportation (CALTRANS) has developed time tested criteria which need to be met before traffic signals can be authorized. A consulting traffic engineer applied these formulas and found that this intersection did not qualify for signalization based on averge daily traffic. However, traffic conditions at the time of the three shift changes clearly warranted signalization. By enlisting the support of the Lake County Planning Department and the local barracks of the California Highway Patrol, we were able to persuade CALTRANS to approve the installation of a traffic signal for a temporary 18-month period.

A series of wells were drilled to dewater the eventual mine pit. This ground water, though of poor quality, was used for compaction and dust control during construction. In addition, water accumulated behind two sediment dams constructed during the early construction phase was needed. However, we were not able to utilize this water for construction activities until the project water appropriations were approved. Thus a temporary water appropriation approval was required. This resulted in numerous meetings, several hearings, and additional work over several months. The temporary water appropriation was approved and this water was used for construction and dust control.

Additional water was required for construction and startup and other solutions were studied. Water had been purchased and hauled by tanker trucks during the initial construction of the Morgan Valley Road. This water was purchased from the Lower Lake Water District. HMC and the Water District agreed to drill a new well. However, when drilled, this well still did not provide an adequate supply of water. The Water District entered into an agreement with the Yolo County Flood Control and Irrigation District to purchase water from Cache Creek. In order to obtain that water, a grant for the water intake was required from the California State Lands Commission (Figure 1-R). Also required were a California Fish and Game Stream Alteration Permit and approval from the Lake County Lakebed Management Group (Figure 1-L). The pipeline pump house and temporary waterlines were approved by the Lake County Public Works Department as they were located within County rights-of-way. A portion of this system is permanent and was donated to the local water district. Most of the 14 miles of the waterline is temporary and will be removed eventually.

DMC employed a full time traffic director who worked with the various trucking companies to obtain in excess of 700 wide or heavy load permits issued by CALTRANS. The most complicated of these were the series of permits required to transport three 400,000 pound, 60 foot long autoclaves manufactured in West Germany. Arriving at the Port of Oakland, the autoclaves were moved by crane to a barge and brought up the Sacramento River to the Port of Sacramento where they were off-loaded by crane and placed in custom built trailers to be hauled overland to the process site. The contractor obtained his own permits from CALTRANS and the various county and city agencies. However, these permits were very restrictive and allowed for the movement of these vessels only during daylight hours on Monday through Thursday. Delivery of the first of the three autoclaves took many times the expected time. After a series of meetings with CALTRANS and the California Highway Patrol, we were able to revise the permits to allow for the transport of the second and third autoclaves seven days a week, 24 hours a day. This greatly enhanced our ability to meet the tight construction schedule.

CONCLUSIONS

Permitting of a major gold mine in an area renown for its environmental strictness, under circumstances of juridictional complexity, and on a fast track schedule required a proactive approach and modified CPM scheduling. The approach resulted in fast and efficient permit approvals without the delays and pitfalls often encountered when a permitting team finds itself in a defensive posture. Public opposition to the mine, though potentially large, never coalesced, primarily as a result of the early availability of technically sound answers to the questions raised. Ultimately those few who publically opposed the project were perceived by their community as extreme in their views and as habitual malcontents.

The proactive approach is not without its pitfalls. Comprehensive studies of a multitude of issues can increse permitting costs. In some cases, studies were undertaken that never had to be utilized. There are some examples as well of proactive permitting efforts resulting in the formation of well educated, well organized, vocal project opponents.

However, on balance, the McLaughlin Mine permitting team was satisfied that the proactive approach employed was essential to the successful, timely permitting of the project.

PERMITTING

LIST OF FIGURES

Figure No.	Title
1	Organization Charts
1-A	Environmental Data Advisory Committee
1-B	Bay Area Air Quality District
1-C	Napa County Conservation Development and Planning
1-D	Napa County - Environmental Health
1-E	Napa County - Department of Public Work
1-F	Lake County - Air Pollution Control
1-G	Lake County - Building and Safety
1-H	Lake County - Rural Health
1-I	Lake County - Lakebed Management
1-J	Lake County - Planning Department
1-K	Lake County - Department of Public Works
1-L	Lake County - Engineering and Inspection Division
1-M	Yolo County - Community Development Agency
1-N	Yolo County - Public Works and Transportation
1-O	Yolo-Solano - Air Pollution Control
1-P	Bureau of Land Management (BLM) - Ukiah
1-Q	BLM - Clearlake Resource Area
1-R	California - State Government
1-S	California - Department of Fish and Game
1-T	California - Department of Forestry
1-U	California - Division of Safety of Dams
1-V	California - Department of Transportation
1-W	California - Regional Water Quality Control Board
1-X	California - Department of Water Resources
2	McLaughlin Gold Project - Permits Obtained
3	00-81-015 Overall Site Plan - Restricted Areas
4	00-81-002 Grinding Area Air Emission Points
5	00-810994 Process Area Air Emission Points
6	FSK 00-81-023 Overall Site Plan - Sedimentation Areas

ENVIRONMENTAL DATA ADVISORY COMMITTEE
(EDAC)
McLAUGHLIN PROJECT
LAKE, NAPA, YOLO COUNTIES
BLM-UKIAH DISTRICT

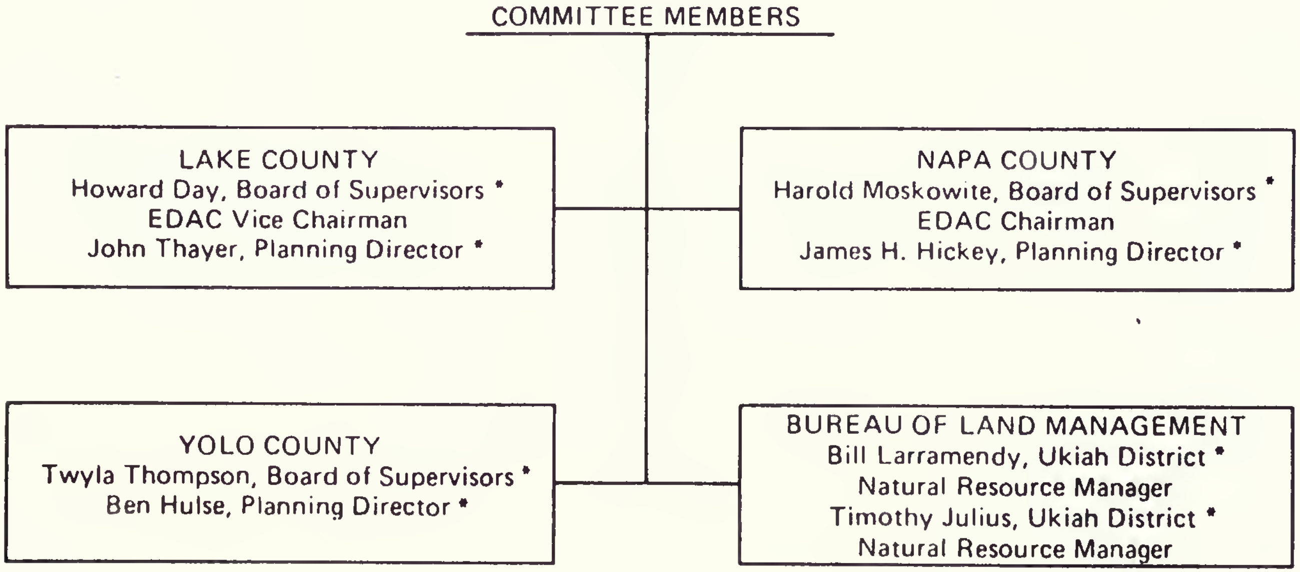

COMMITTEE MEMBERS
LAKE COUNTY
Howard Day, Board of Supervisors *
EDAC Vice Chairman
John Thayer, Planning Director *
NAPA COUNTY
Harold Moskowite, Board of Supervisors *
EDAC Chairman
James H. Hickey, Planning Director *
YOLO COUNTY
Twyla Thompson, Board of Supervisors *
Ben Hulse, Planning Director *
BUREAU OF LAND MANAGEMENT
Bill Larramendy, Ukiah District *
Natural Resource Manager
Timothy Julius, Ukiah District *
Natural Resource Manager

FIGURE: 1 A

* Worked on Homestake Projec

APPENDIX E

WILLIAM CORNELISON

13.3.8 Employment

13.3.9 Lake County

Lake County's economy is based primarily on three sectors, two of which are interrelated. Historically, agriculture has been most important to the county's economy. However, within recent times, retirement and associated general outdoor recreation have gained in importance within the overall economy. Table 13.6 shows that employment in retail trade, services, and government comprises nearly three-fourths of the total county wage and salary employment. Agricultural and industrial-type jobs (mining, construction, manufacturing, transportation, and public utilities) account for only a small proportion of total employment.

Employment growth within Lake County for the years 1976 through 1978 was marked by rapid expansion (at a rate of nearly 20 percent), as indicated in Table 13.7. However, from 1979 through 1981, this growth has slowed to a rate of 1.7 percent, due largely to the county's increasing dependence on the tourism industry which has been adversely affected by the recession, rapidly rising gasoline prices, and a reduction in discretionary income (Employment Development Department, 1981). The total civilian labor force in the county is projected to continue to expand through 1982 (Table 13.7). Indicative of the high number of retirees and median age of the resident population, the labor force participation rate (total labor force divided by total population) for Lake County is only 34.7 percent.

Unemployment rates in Lake County vary considerably over the period of a year, primarily due to the large number of seasonally unemployed from the tourism and agricultural sectors. Employment in the county peaks during a year's third quarter and falls during the fourth and first quarters. Since 1974, the summer months of June through September have averaged 8.8 percent unemployment compared to 13.3 percent during the rest of the year. Although the Employment Development Department statistics show that the average annual unemployment rate significantly declined between 1976 and 1979, the unemployment rate showed an increase in 1980 to 1981, as displayed in Table 13.7. The projected higher rate is based on the general economic slowdown currently in progress. Unemployment is expected to decline in 1982 but still remain higher than the state average, due again to the seasonality of employment.

Seasonality in Lake County seems to result from two independent sources with similar cyclical effects. Agricultural activity peaks during the late summer harvest time, as does the summer tourist trade. In addition, many people have purchased homes or trailers and have registered to vote in Lake County, yet live in the county only during the summer months. These influences combine to produce a dramatic seasonal fluctuation in occupational employment. Employment in the government, financial, insurance, real estate, transportation, communication, and utilities sectors seems to provide what economic stability there is in the county.

More recently, geothermal development and associated employment in the construction, utilities, and services support sector have contributed to further growth in overall employment. However, typical of major construction projects, permanent employment opportunities are low compared to levels of employment while geothermal projects are under construction.

As indicated in Table 13.8, Lake County per capita income has remained 27 to 45 percent below the state average throughout the 1965 to 1979 period. In part, this is due to the fact that a large portion of the population is made up of retirees living on fixed incomes. The county also has a considerable portion of its population receiving some type of federal, state, or county financial assistance. In 1979, Social Security recipients living in Lake County numbered 11,692 (Social Security Administration, 1981). Table 13.9 provides information on the number of recipients of other welfare programs. In 1979, government transfer payments comprised 31 percent of the total county personal income, which was up from 24 percent in 1969 (Department of Finance 1980).

The fact that transfer payments comprise nearly one-third of personal income in Lake County is further indication of a situation in which in-migrating retirees have moved to a rural area where unemployment has historically been above the state average and personal income has lagged behind the state average. The reasons for this include not only the possible attractiveness of the rural setting and the characteristic high unemployment, but the fact the standard of living differential between employed families and welfare families usually is less in a rural county.

In 1981, the number of persons living on incomes below the poverty level in Lake County was over 5,000 persons, or approximately 14 percent of the total population.

6.10.5 Community Service Impacts

These can be summarized as follows:

- Education. Of the 60 children of relocating married direct and indirect workers projected for the peak construction period, an estimated 22 will be of elementary school age, primarily in the lower grades. Using a student-to-classroom ratio of 25:1, children associated with the construction phase will create a need for the equivalent of one additional classroom which could be satisfied by one or all of the three school districts, Kelseyville, Konocti, and Middleton Unified Districts, most likely to be impacted. The operations phase will generate 33 elementary school age children and 14 secondary school age children. At the high school level, the demand will be the equivalent of one-half of a classroom and utilize less than 15 percent of the existing available capacity. At the elementary level, the equivalent of 1.3 additional classrooms will need to be distributed among the three school districts to be impacted. The project will have virtually no impact on the nearest school districts in Napa County.

- Public Services and Utilities. Lake County water and sewage utilization appears to be below capacity. However, health care, emergency, and other services and utilities are at or over capacity. As can be seen by Table 6.7, both the construction and operation phases of the proposed project will be responsible for negligible increases in service demand. For example, the additional demand for hospital beds will range from 0.74 percent during peak construction to 1.08 percent during peak operations. An additional demand for law enforcement officers ranges from 0.27 percent during construction to 0.40 percent during operations.

- Fiscal Impacts. Net payroll (gross less deductions) generated by project construction will be $6,940,000 over a 27-month period. Although weekly commuters (35 percent of the work force) will spend most of their earnings outside of the area, daily commuters and relocating workers will contribute approximately $4,100,000 to the local economy. In addition, a currently unpredictable amount will be spent locally by Homestake Mining Company for equipment, material, and supplies.

> The total payroll for the mill workers during the operation period will be approximately \$2,714,000 in 1982 dollars. Of this, approximately \$1,520,000 per year in current dollars is expected to be contributed to the local area economy.
>
> In addition, about \$2,000,000 of operating and maintenance supplies for the mill will be purchased locally. Of the gross annual operating costs of \$14,300,000 for the mine, Homestake anticipates about 20 percent or \$2,600,000 will be spent locally per year. In summary, operation of the mine and the mill at planned production rates will contribute about \$6,320,000 a year in 1982 dollars to the local area economy (mostly Lake County) through payroll and purchases.

The above payroll and supply expenditures will generate sales, fuel, vehicle, and other tax revenues, some of which will be returned by the state to the local city or county jurisdictions. The most important source of new revenue to the counties will be property and improvement taxes. Assessed value of the project has not been established by the counties, but annual property taxes will be substantial. In addition, income taxes will be levied by the federal government on profits at a rate of 30.73 percent for profits up to 30 percent and 44.95 percent of profits in excess of 30 percent of net revenue.

Although they are not expected to be significant, there will be some unquantifiable social impacts generated by the project, both positive and negative. There are a growing number of case studies identifying the potential social effects of industrial development on small towns and rural communities. For example, it has been documented by a number of sources that if population growth occurs at a rate that cannot be absorbed by the community, it places a strain not only on public services and facilities such as schools and hospitals but also on traditional local lifestyles and values. The 0.16 to 0.53 percent county population growth resulting from the project predicted by Dames and Moore is well below the 5 percent growth rate considered by most socio-economic impact experts as the threshold for growth problems. However, the symptoms of social dislocation could still occur in the small communities (e.g., Lower Lake) likely to receive most of the population impact. Any resulting social discontent or conflict will probably be very subtle.

APPENDIX F

WESTERN MINING IN THE TWENTIETH CENTURY ORAL HISTORY SERIES

PREFACE--Western Mining in the Twentieth Century

The oral history series on Western Mining in the Twentieth Century documents the lives of leaders in mining, metallurgy, geology, education in the earth and materials sciences, mining law, and the pertinent government bodies. The field includes metal, non-metal, and industrial minerals. In its tenth year the series numbers thirty-five volumes completed and others in process.

Mining has changed greatly in this century: in the technology and technical education; in the organization of corporations; in the perception of the national strategic importance of minerals; in the labor movement; and in consideration of health and environmental effects of mining.

The idea of an oral history series to document these developments in twentieth century mining had been on the drawing board of the Regional Oral History Office for more than twenty years. The project finally got underway on January 25, 1986, when Mrs. Willa Baum, Mr. and Mrs. Philip Bradley, Professor and Mrs. Douglas Fuerstenau, Mr. and Mrs. Clifford Heimbucher, Mrs. Donald McLaughlin, and Mr. and Mrs. Langan Swent met at the Swent home to plan the project, and Professor Fuerstenau agreed to serve as Principal Investigator.

An advisory committee was selected which included representatives from the materials science and mineral engineering faculty and a professor of history of science at the University of California at Berkeley; a professor emeritus of history from the California Institute of Technology; and executives of mining companies. Langan Swent delighted in referring to himself as "technical advisor" to the series. He abetted the project from the beginning, directly with his wise counsel and store of information, and indirectly by his patience as the oral histories took more and more of his wife's time and attention. He completed the review of his own oral history transcript when he was in the hospital just before his death in 1992. As some of the original advisors have died, others have been added to help in selecting interviewees, suggesting research topics, and securing funds.

The project was presented to the San Francisco section of the American Institute of Mining, Metallurgical, and Petroleum Engineers (AIME) on "Old-timers Night," March 10, 1986, when Philip Read Bradley, Jr., was the speaker. This section and the Southern California section of AIME provided initial funding and organizational sponsorship.

The Northern and Southern California sections of the Woman's Auxiliary to the AIME (WAAIME), the California Mining Association, and the Mining and Metallurgical Society of America (MMSA) were early supporters. Later the National Mining Association became a sponsor. The project was significantly advanced by a generous bequest received in November 1997 upon the death of J. Ward Downey, UC Berkeley alumnus and early member of the mining series advisory committee. His own oral history was completed in 1992. Other individual and corporate donors are listed in the volumes. Sponsors to date include nineteen corporations, four foundations, and 113 individuals. The project is ongoing, and funds continue to be sought.

The first five interviewees were all born in 1904 or earlier. Horace Albright, mining lawyer and president of United States Potash Company, was ninety-six years old when interviewed. Although brief, this interview adds another dimension to a man known primarily as a conservationist.

James Boyd was director of the industry division of the military government of Germany after World War II, director of the U.S. Bureau of Mines, dean of the Colorado School of Mines, vice president of Kennecott Copper Corporation, president of Copper Range, and executive director of the National Commission on Materials Policy. He had reviewed the transcript of his lengthy oral history just before his death in November, 1987. In 1990, he was inducted into the National Mining Hall of Fame, Leadville, Colorado.

Philip Bradley, Jr., mining engineer, was a member of the California Mining Board for thirty-two years, most of them as chairman. He also founded the parent organization of the California Mining Association, as well as the Western Governors Mining Advisory Council. His uncle, Frederick Worthen Bradley, who figures in the oral history, was in the first group inducted into the National Mining Hall of Fame in 1988.

Frank McQuiston, metallurgist for the Raw Materials Division of the Atomic Energy Commission and vice president of Newmont Mining Corporation, died before his oral history was complete; thirteen hours of taped interviews with him were supplemented by three hours with his friend and associate, Robert Shoemaker.

Gordon Oakeshott, geologist, was president of the National Association of Geology Teachers and chief of the California Division of Mines and Geology.

These oral histories establish the framework for the series; subsequent oral histories amplify the basic themes. After over thirty individual biographical oral histories were completed, a community oral history was undertaken, documenting the development of the McLaughlin gold mine in the Napa, Yolo, and Lake Counties of California (the historic Knoxville mercury mining district), and the resulting changes in the surrounding communities. This comprises forty-three interviews.

Future researchers will turn to these oral histories to learn how decisions were made which led to changes in mining engineering education, corporate structures, and technology, as well as public policy regarding minerals. In addition, the interviews stimulate the deposit, by interviewees and others, of a number of documents, photographs, memoirs, and other materials related to twentieth century mining in the West. This collection is being added to The Bancroft Library's extensive holdings. A list of completed and in process interviews for the mining series appears at the end of this volume.

The Regional Oral History Office is under the direction of Willa Baum, division head, and under the administrative direction of The Bancroft Library.

Interviews were conducted by Malca Chall and Eleanor Swent.

Willa K. Baum, Division Head
Regional Oral History Office

Eleanor Swent, Project Director
Western Mining in the Twentieth
Century Series

January 1998
Regional Oral History Office
University of California, Berkeley

Western Mining in the Twentieth Century Oral History Series

Interviews Completed, January 1998

Horace Albright, *Mining Lawyer and Executive, U.S. Potash Company, U.S. Borax, 1933-1962*, 1989

Samuel S. Arentz, Jr., *Mining Engineer, Consultant, and Entrepreneur in Nevada and Utah, 1934-1992*, 1993

James Boyd, *Minerals and Critical Materials Management: Military and Government Administrator and Mining Executive, 1941-1987*, 1988

Philip Read Bradley, Jr., *A Mining Engineer in Alaska, Canada, the Western United States, Latin America, and Southeast Asia*, 1988

Catherine C. Campbell, *Ian and Catherine Campbell, Geologists: Teaching, Government Service, Editing*, 1989

William Clark, *Reporting on California's Gold Mines for the State Division of Mines and Geology, 1951-1979*, 1993

Norman Cleaveland, *Dredge Mining for Gold, Malaysian Tin, Diamonds, 1921-1966; Exposing the 1883 Murder of William Raymond Morley*, 1995

James T. Curry, Sr., *Metallurgist for Empire Star Mine and Newmont Exploration, 1932-1955; Plant Manager for Calaveras Cement Company, 1956-1975*, 1990

Donald Dickey, *The Oriental Mine, 1938-1991*, 1996

J. Ward Downey, *Mining and Construction Engineer, Industrial Management Consultant, 1936 to the 1990s*, 1992

Warren Fenzi, *Junior Engineer to President, Director of Phelps Dodge, 1937 to 1984*, 1996

Hedley S. "Pete" Fowler, *Mining Engineer in the Americas, India, and Africa, 1933-1983*, 1992

James Mack Gerstley, *Executive, U.S. Borax & Chemical Corporation; Trustee, Pomona College; Civic Leader, San Francisco Asian Art Museum*, 1991

Robert M. Haldeman, *Managing Copper Mines in Chile: Braden, CODELCO, Minerec, Pudahuel; Developing Controlled Bacterial Leaching of Copper from Sulfide Ores; 1941-1993*, 1995

John F. Havard, *Mining Engineer and Executive, 1935-1981*, 1992

Wayne Hazen, *Plutonium Technology Applied to Mineral Processing; Solvent Extraction; Building Hazen Research; 1940-1993*, 1995

George Heikes, *Mining Geologist on Four Continents, 1924-1974*, 1992

Helen R. Henshaw, *Recollections of Life with Paul Henshaw: Latin America, Homestake Mining Company*, 1988

Homestake Mine Workers, Lead, South Dakota, 1929-1993, interviews with Clarence Kravig, Wayne Harford, and Kenneth Kinghorn, 1995

Lewis L. Huelsdonk, *Manager of Gold and Chrome Mines, Spokesman for Gold Mining, 1935-1974*, 1988

James Jensen, *Chemical and Metallurgical Process Engineer: Making Deuterium, Extracting Salines and Base and Heavy Metals, 1938-1990s*, 1993

Arthur I. Johnson, *Mining and Metallurgical Engineer in the Black Hills: Pegmatites and Rare Minerals, 1922 to the 1990s*, 1990

G. Frank Joklik, *Exploration Geologist, Developer of Mt. Newman, President and CEO of Kennecott, 1949-1996; Chairman, Salt Lake 2002 Olympic Winter Games Committee*, 1997

Evan Just, *Geologist: Engineering and Mining Journal, Marshall Plan, Cyprus Mines Corporation, and Stanford University, 1922-1980*, 1989

Robert Kendall, *Mining Borax, Shaft-Freezing in Potash Mines, U.S. Borax, Inc., 1954-1988*, 1994

Marian Lane, *Mine Doctor's Wife in Mexico During the 1920s*, 1996

Plato Malozemoff, *A Life in Mining: Siberia to Chairman of Newmont Mining Corporation, 1909-1985*, 1990

James and Malcolm McPherson, *Brothers in Mining*, 1992

Frank Woods McQuiston, Jr., *Metallurgist for Newmont Mining Corporation and U.S. Atomic Energy Commission, 1934-1982*, 1989

Gordon B. Oakeshott, *The California Division of Mines and Geology, 1948-1974*, 1988

James H. Orr, *An Entrepreneur in Mining in North and South America, 1930s to 1990s*, 1995

Vincent D. Perry, *A Half Century as Mining and Exploration Geologist with the Anaconda Company*, 1991

Carl Randolph, *Research Manager to President, U.S. Borax & Chemical Corporation, 1957-1986*, 1992

John Reed, *Pioneer in Applied Rock Mechanics, Braden Mine, Chile, 1944-1950; St. Joseph Lead Company, 1955-1960; Colorado School of Mines, 1960-1972*, 1993

Joseph Rosenblatt, *EIMCO, Pioneer in Underground Mining Machinery and Process Equipment, 1926-1963*, 1992

Eugene David Smith, *Working on the Twenty-Mule Team: Laborer to Vice President, U.S. Borax & Chemical Corporation, 1941-1989*, 1993

Simon Strauss, *Market Analyst for Non-ferrous Metals and Non-metallic Minerals, Journalist, Mining Corporation Executive, 1927-1994*, 1995

Langan W. Swent, *Working for Safety and Health in Underground Mines: San Luis and Homestake Mining Companies, 1946-1988*, 1995

James V. Thompson, *Mining and Metallurgical Engineer: the Philippine Islands; Dorr, Humphreys, Kaiser Engineers Companies; 1940-1990s*, 1992

Interviews In Process

Robert Clarkson, Clarkson Company
John Livermore, geologist
Alexander Wilson, BHP-Utah Minerals

Knoxville District/McLaughlin Mine Oral History Project

William Humphrey, *Mining Operations and Engineering Executive for Anaconda, Newmont, Homestake, 1950 to 1995*, 1996

William Wilder, *Owner of One Shot Mining Company: Manhattan Mercury Mine, 1965-1981*, 1996

The Knoxville Mining District, The McLaughlin Gold Mine, Northern California, 1978-1995, Volume I, 1998
- Anderson, James, "Homestake Vice President-Exploration"
- Baker, Will, "Citizen Activist, Yolo County"
- Birdsey, Norman, "Metallurgical Technician, McLaughlin Process Plant"
- Bledsoe, Brice, "Director, Solano Irrigation District"

The Knoxville Mining District, The McLaughlin Gold Mine, Northern California, 1978-1995, Volume II, 1998
- Cerar, Anthony, "Mercury Miner, 1935-1995"
- Ceteras, John, "Organic Farmer, Yolo County"
- Conger, Harry, "President, Chairman, and CEO, Homestake Mining Company, 1977 to 1994"
- Corley, John Jay, "Chairman, Napa County Planning Commission, 1981 to 1985"
- Cornelison, William, "Superintendent of Schools, Lake County" (Includes an interview with John A. Drummond, Lake County Schools Attorney)

Knoxville/McLaughlin Interviews in Process:

Crouch, David, "Homestake Corporate Manager-Environmental Affairs"
Enderlin, Elmer, "Miner in Fifty-Two Mines"
Fuller, Claire, "Fuller's Superette Market, Lower Lake"
Goldstein, Dennis, "Homestake Corporate Lawyer"
Guinivere, Rex, "Homestake Vice President-Engineering"
Gustafson, Donald, "Homestake Exploration Geologist"
Hanchett, Bonnie, "Owner and Editor, Clearlake Observer"
Hickey, James, "Director, Napa County Planning Department"
Jago, Irene, "Lower Lake High School Teacher"
Jonas, James, "Bulk Fuel Plant Owner, Lower Lake"
Koontz, Dolora, "Environmental Engineer, McLaughlin Mine"
Krauss, Raymond, "Environmental Manager, McLaughlin Mine"
Kritikos, William, "Operator, Oat Hill Mine"
Landman, John, "Rancher, Morgan Valley"
Lyons, Roberta, "Journalist and Environmentalist"
Madsen, Roger, "Homestake Mechanical Engineer"
Magoon, Beverly, "Merchant and Craft Instructor, Lower Lake"
McGinnis, Edward, "Worker at the Reed Mine"
McKenzie, Robert, "Photographer and Local Historian, Napa County"
Moscowite, Harold, "County Supervisor, Napa County"
Onstad, Marion, "Morgan Valley Rancher, Homestake Secretary"
Parker, Ronald, "General Manager, McLaughlin Mine, 1988-1994"
Purtell, Patrick, "General Manager, McLaughlin Mine, 1994"
Stoehr, Richard, "Homestake Vice President and Director"
Strapko, Joseph, "Homestake Field Geologist"
Thompson, Jack, "General Manager, McLaughlin Mine, 1981-1988"
Thompson, Twyla, "County Supervisor, Yolo County"
Tindell, Avery, "Capay Valley Environmentalist"
Turney, John, "McLaughlin Metallurgist: Pioneering Autoclaving for Gold"
Underwood, Della, "Knoxville Rancher, McLaughlin Mine Surveyor"
Wilcox, Walter, "County Supervisor, Lake County"

ADVISORS TO THE SERIES, WESTERN MINING IN THE TWENTIETH CENTURY

Professor Douglas Fuerstenau, Principal Investigator
Plato Malozemoff Professor, Department of Materials Science and
Mineral Engineering, University of California, Berkeley

Robert R. Beebe
Senior Vice President (retired),
Homestake Mining Company

Philip R. Bradley
Former Chairman, California State
Mining and Geology Board

Henry Colen
President, San Francisco Mining
Associates

*Professor Neville G. Cook
Department of Materials Science and
Mineral Engineering, University of
California, Berkeley

*J. Ward Downey
Engineering and Industrial
Management Consultant

Professor Richard Goodman,
Department of Civil Engineering,
University of California, Berkeley

Professor Roger Hahn, Department of
History, University of California,
Berkeley

*John Havard
Senior Vice President (retired),
Kaiser Engineers, Inc.

Clifford Heimbucher, C.P.A.
Consultant, Varian Associates, Inc.

*John R. Kiely
Senior Executive Consultant
(retired), Bechtel, Inc.

Noel Kirshenbaum
Manager, Mineral Products
Development, Placer Dome U.S.

*Plato Malozemoff
Chairman Emeritus, Newmont Mining
Corporation

Joseph P. Matoney
Vice President (retired)
Coal, Kaiser Engineers, Inc.

Mrs. Donald H. McLaughlin
Founder, Save San Francisco Bay
Association

Professor Malcolm McPherson
Massey Professor of Mining
Engineering, Virginia Polytechnic
Institute and State University

*Professor Emeritus Charles Meyer,
Department of Geology, University of
California, Berkeley

Professor H. Frank Morrison
Department of Materials Science and
Mineral Engineering, University of
California, Berkeley

Professor Joseph A. Pask
Department of Materials Science and
Mineral Engineering, University of
California, Berkeley

*Professor Emeritus Rodman Paul,
Department of History, California
Institute of Technology

*Langan W. Swent
Vice President (retired), Homestake
Mining Company

* Deceased during the period of the project

INDEX--Knoxville-McLaughlin Volume II

Abbott Mine, 35
Aetna Mine, 11, 16
agricultural preserve, 221-224
air quality concerns, 96, 142-143
Amax, 234
American Mining Congress, 162
Anaconda Mine, 111
Anderson, James, 169, 174, 175, 178, 180-181, 182, 184-185
Anglo-American Mining Co., 38
Ansel, Jacob, 27, 28-29, 30, 33
anti-American sentiment in Canada, 153-154
ASARCO, Eagle Mt. Mine, 125-135
Ashby, Jack, 156
Austin, Bert, 42
autoclave process for gold ores, 192-193
Avanzino family, 222

Bachich, Fred, 4-5, 22-23, 25, 35, 38
Bailey, Ralph, 162-164
Baker, Will, 80, 82, 93, 95
Baker Mine, 50
Balmer Mine, BC, 146-161
Balsley, Jerry, 149-150, 153-154
Barber, Kelley, 232
Basalt Shipyard, 39
Bator, George, 122
Bauer Mine, 39
Beaulieu winery, 222
Bella Oak Mine, 38-39
Bering, Bob, 58
Best, William, 9
Beynon, Arthur, 175
Blue Heron Farm, 64, 66-69
Blue Shield, 285
Bootstrap Mine, NV, 173
Boston Co., 29-30
Boston Consulting Group, 171-173
Boyd, Charles, 45-46
Bradley Mining Co., 46-47, 101
Bradley, Worthen, 47
Brown Act, 232
Brummett, Dick, 144
Bruns, Dick, 22-23
Buckman, 33
Bucyrus-Erie Co., 129, 135, 142
Building Trades union, 136
Burau, Richard, 98-99
Burke, Frances Looney, 86, 95

Cache Creek, 84, 101
California Environmental Quality Act, 275
California Industrial Accident Commission, 28, 36
California Museum of Science and industry, 250
California State Division of Dams, 190
California State Energy Commission, 266-267, 276
Cal-PIRG [California Public Interest Research Group], 86, 91-92
Capay Valley, CA, community, 69-70, 243-244
Capay Valley General Plan Committee, 70-74, 87
Carlin Mine, NV, 173-174, 178
Carlson, Jack Jay, 148-152, 155, 156
Carr, Floyd, 40, 44, 48
Casburn, Bill, 178
Caterpillar Tractor Company, 129
Cerar, Anthony, Int. 1-59
  early years, 1-4
  mining career, 1935-1995, 4-59
Certified California Organic Farmers, 68
Ceteras, Gretchen Spreckels (wife), 66-67, 69-70, 76, 104
Ceteras, John, Int. 60-115
  community activism, 70-76
  environmental concerns, 79, 107-114
  family and education, 1944-1974, 64-67
  McLaughlin Mine permit opposition, 77-93
  organic farmer, 67-70

Ceteras, John (cont'd.)
  technical review panel member, 93-100, 104-107
Ceteras, Noah (son), 68-69, 74
Chang, Dan, 96-97
Cherry Hill Mine, CA, 174-176
Chevaliers du Tastevin, 218
Chinese miners, 15, 18
Christian Brothers winery, 222
Clark, Edward H., 167, 199
Clausen family ranch, 3
Cloverdale Mine, 32
Cobb Mountain resorts, 286
Cobb Mountain School, 268
Colen, Henry, 167-168
Conger, Harry M., Int. 116-211
  childhood and education, 120-124
  engineer, Silver Bell Mine, 125-135
  foreman to manager, Eagle Mt. Mine, 135-145
  vice president, Kaiser Resources, 149-161
  vice president, Consolidation Coal Co., 162
  president and CEO, Homestake Mining Co., 166-211
Conger, Harry M. IV (son), 124
Conger, Phyllis Shepherd (wife), 121-124, 155
Conger, Preston G. (son), 124
Connolly, Thomas, 182
Conoco, 164
Consolidation Coal Company, 162-164
Contact Mine, 48
Corbin, Frank, 184
Corley, Jay, Int. 212-256
  family, education, 216-220, 226
  grape grower, vintner, 221-227, 250-252
  chairman, Napa County planning commission, 228-249, 254-255
Cornelison, William, Int. 257-300
  early years, 261-263
  Konocti school district superintendent, 280-290
  Lake County schools superintendent, 290-295
  Middletown, CA, school superintendent, 264-271
Corona Mine, 3, 8, 49
Cottrell furnace, 52-53
Cozzens, Bailey, 182

Dames and Moore, 189
DARE program, 282-283
Davey, Hugh, 8, 54
Davey, Lillburn, 54
Davis Creek Dam
  permitting, 83-93
  water quality monitoring, 94-100, 106-110
Dawn Mine, WA, 182-183
Delicate, Donald, 164, 167, 169, 171, 182, 184
Denton, Homer, 232, 253
Depression years, 3-4, 120
Dewey Mine, 33, 49
Dizmana, Russell, 50
drug education programs, 282-283
Drummond, John, Int. 272-279

Eagle Mountain Mine, CA, 130, 131, 135-147
Ecological Research Associates, 86
Emerson, Lee, 149-150, 152, 156-157
Empire Mine, CA, 247
Enderlin, Dean, 17, 43
Ensign Bickford Co., 131-132
environmental concerns, 83-85, 143-145
Ernst, Doug, 253
Evans, Brock, 248-249
explosives, mining, 130-132

farming, organic, 66-68
Fell, Frazer, 204
Fields, Don, 290
firemen, volunteer, 75
Fleishhacker, 31, 36
Friends of Cache Creek, 75, 86, 105
Fuerstenau, Douglas, 183-184

Gamble, George, 32, 40-44, 53
Geothermal Impact Facilities Fund, 271
geothermal power generation, 56

Geysers geothermal project, 56-58, 266-270, 285
Girard, Steve, 157-158
Goldman, _____, 56
Goldman, Charles, 86, 95-96
Goldstein, Dennis, 178, 197, 238-239, 248-249
Goss, Helen Rocca, 7
Gould family, 16 ,31, 37, 42
Gould furnace, 5, 7, 21, 32
Gould, Gordon, 25, 27
Gould, Henry, 32
Gould, Mike, 27
Granada Mine, 50
Great Western Mine, 7
Gustafson, Donald, 77, 79, 177
Gustafson, John, 167, 184, 198

Haberger, Al, 228, 231
Hackett, Steven, 228, 231, 232
Haczela, Ed, 50
Hamilton, Harry, 228, 231
hard hats, 24-25
Haven, Janice, 232
Hecomovich, Bill, 294, 297
Heers, Bob, 150-152
Heid, George and Rose, 222
Heimbucher, Clifford, 183-184
Helen Mine, 7, 10, 30-32, 35-36, 43, 54-55
Hendricks, Keith, 204
Henshaw, Paul C., 164-166, 169-171, 173, 175, 180, 183-184, 198-199, 204
Here's Looking at You, 200,
program, 282-283
Heublein winery, 224
Hickey, James, 228, 231, 237, 238, 244, 248-249, 252, 254, 255
Hickock, Bill, 52
Hidden Valley subdivision, Lake County, CA, 265-266
Hinkel, Dick, 168
Hoberg's resort, 286, 297
Homestake Mine, SD, 172

Homestake Mining Company, 55-57
  board of directors, 183-186
  community relations, 79-82, 88-89, 101-103, 193-195, 249, 268-269, 273-278, 287-290, 295-296
  Conger, Harry M., president, CEO, 166-211
  employee relations, 293, 296
  environmental policy, 83-85, 195-197
  exploration program, 201-203, 173-174
  permitting McLaughlin Mine, 236-249
Humphrey, William, 80, 182, 185, 193
hydraulic mining, 159-160
hydraulic shovel research, 142

Innes, Murray, 30, 55
Inglenook winery, 222, 224
Intergold, 204
International Food and Wine Society of Los Angeles, 218

Jackson, Jim, 100
Janes, Hayden, 76
Japanese miners, 160
Johnson & Mathey, 206

Kaiser, Edgar, Jr., 157-148
Kaiser, Edgar, Sr., 156-159
Kaiser Engineers, 151-152, 156
Kaiser Resources, 146-161
Kaiser Steel Co., 134-147
Kauffman, Robert, 178
Kenworth-Dart trucks, 141-142
Kiely, John, 183-185
Kiruna Mine, Sweden, 140
Kissack Mine, 50
Klau Mine, 26
Knoxville Mine, 11, 27, 40-44, 53, 58-59
Koffel, Martin, 182
Konocti Harbor resort, 286
Konocti school district, 280-289
Koontz, Dolora, 100

Koopman, Otto, 42, 53
Krauss, Raymond, 80, 81, 100, 101, 106, 194, 195-197
Krug winery, 222

labor relations, 127-128, 136
Lacy furnace, 12
La Joya Mine, 4-8, 22-25, 50-51
Lake Berryessa, 225-226
Lake County court school, 298
Lake County schools, 291
La Libertad Mine, 35
land use, agriculture v. development, 70-74, 223
Langston, William, 180
Lewis, Robert, 232, 253
Lider, Jim, 221-222
Livermore, Charles, 59
Livermore family, 3, 28
Livermore, John, iii, 17
Livermore, Robert, 49
Lober, Cliff, 232, 253
Lowrey, Jan, 73, 89, 90
Lucas, Jeff, 294

McCauley brothers, 8
Macgregor, Wallace, 184
McLaughlin, Donald, 167, 183-186, 198-199
McLaughlin Mine, CA, 77-79, 240-243
  community relations, 193-195, 249, 268-269, 272-278, 287-290, 295-296
  costs, 187-191
  Davis Creek Dam, 83-85
  discovery and development, 177-183, 187-197
  employee relations, 293, 296
  environmental standards, 195-197
  permits, 187-188, 234, 236-246
  permitting in Yolo County, 77-93
  processing plant, 192-193
  reclamation, 195-197
Magma Power Co., 58
magnetite ore processing, 138-140
Main, Tom, 204
Malmberget Mine, Sweden, 140
manganese mining, 39
Manhattan Mine, CA, 52-54, 177
Manzanita Mine, 54
Marks, Ted, 183-184
Mast, Coles, 105-106
Mean, Bob, 126, 134-135
Mehroff, Ada, 103-106
Mellersch, Tom, 38
Mendocino County Planning Commission, 276
mercury contamination, Davis Creek, 83-86
mercury mining and processing, 6, 12, 16, 18, 23-25, 26-27, 29, 31-33, 39, 40-41, 48, 54-55
mercury salivation, 25, 27-28
Middletown, CA, schools, 264-271
Middletown Merchants Association, 265
Mikolajec, John "Mickey", 233
military service, 125-126
miners
  Chinese, 15, 18, 29-30
  European immigrant, 27-28, 30
  health and safety, 24-25, 27-28
  Spanish, 37
mines
  Anaconda, 111
  Balmer, BC, 146-161
  Bootstrap, NV, 173
  Carlin, NV, 173-174, 178
  Cherry Hill, CA, 174-176
  Dawn, WA, 182-183
  Eagle Mountain, CA, 130, 131, 135-147
  Empire, CA, 247
  Homestake, SD, 172
  Kiruna, Sweden, 140
  Malmberget, Sweden, 140
  Manhattan, CA, 177
  Ok Tedi, 111
  Pitch, CO, 194
  Silver Bell, AZ, 125-133, 136-137, 142
mines, mercury, CA
  Abbott, 35
  Aetna, 11, 16
  Baker, 50
  Bauer, 39
  Bella Oak, 38-39
  Cloverdale, 32
  Contact, 48
  Corona, 3, 8, 49

mines, mercury, CA (cont'd.)
  Dewey, 33, 49
  Granada, 50
  Great Western, 7
  Helen, 7, 10, 30-32, 35-36, 43, 54-55
  Kissack, 50
  Klau, 26-27
  Knoxville, 11, 27, 30, 40-44, 53, 58-59
  La Joya, 4-8, 22-25, 50-51
  La Libertad, 35
  Manhattan, 52-54, 117
  Manzanita, 54
  Mirabel, 8-9, 11-15
  New Idria, 32, 37
  Oat Hill, 1-2, 11, 15-21, 28-30, 37, 43, 47-48, 49, 55, 59
  Palisades, 34-35
  Phoenix, 16
  Red Elephant, 32-33
  Reed, 42, 45-47, 100-101
  Redington, 27, 30, 43
  Rinconada, 35
  Silver Bow, 16
  Sulphur Bank, 85
  Twin Peak, 3
  Wide Awake, 54
Mirabel Mine, 8-9, 11-15
Mitsubishi Trading Company, 152-153
Mitsui Mining Co., 160
Mondavi, Peter and Blanche, 225, 227
Mondavi winery, 222
Monticello, CA, 44-45, 225-226
Monticello Dam, 226
Monticello winery, 225-226
Morgan, Hugh, 204
Morgan, Julia, 10
Moskowite, Harold, 229, 233, 252
Museum of the Sea, 250
Mutual Engineering Company, 32

Napa College, 250
Napa County Fair, 250
Napa County planning commission, 228-249
Napa Register, 246, 253
Napa Valley Agricultural Preserve, 222-223
National Audubon Society, 248
National Security Agency, 217-218
Native Americans in Lake County, CA, 287
New Idria Mine, 32, 37
Newcomb, ____, 55
Newmont Mining Co., 182
North, Morgan, 4-5, 8, 9-10, 13, 28, 30

Oat Hill Mine, 1, 11, 15-21, 28-30, 37, 43, 49, 55, 59
O'Connor, Tom, 11
Ok Tedi Mine, 111
open-pit mining equipment, 129-130, 141-142
organic farming, 66-68

Pacific Gas & Electric Co., 58, 266-267
Pacific Southwest Airlines [PSA], 221
Pacific Vegetable Oil Co., 7
Palisades Mine, 34-35
Parker, Gordon, 204
Parker, Merrily, 284
Parker, Ronald, 200, 284, 287
Peeler, Stuart T., 185
Pepperdine University, 227
Phoenix Mine, 16
P&H shovels, 147
phylloxera in vineyards, 250-251
Pitch Mine, CO, 194
Purvis, Don, 126, 134

Red Elephant Mine, 32-33
Redington Mine, 27, 43
Reed Mine, 42, 45-47
Reininger, Robert, 185
Reuter, John, 86, 96
Reveles, Robert, 288-289
Rinconada Mine, 35
Rocca, Andrew, 7
Rocca, Bernard, 7
Rotary Club, 227
ROTC, 125-126
Rumsey Water Users Association, 75-76

Rutherford Hill winery, 222

Salisbury, James, 183-186
Schepman, Berne, 164, 183-184
Schlies, Dr., 222
Schuette, Curt, 32-33
Schults brothers, 49
Schwab, Frank, 171, 182
Seigler Springs resort, 286
Sense, John, 134
Sherritt Gordon, 192
Sierra Club, 102-103, 105
Silver Bell Mine, AZ, 126-133, 136-137, 142
Silver Bow Mine, 16
silver mining, 34-35
Slotten, Darryl, 86, 96, 98-99
Smith, Duane, i-ii
Social Security introduced, 12-13
Sonoma Quicksilver Mining Co., 49-50
Southern California Edison Co., 57
Southern Pacific Railroad, 71, 141
Speirs, Mitzi, 82
Speirs, Robert, 82-83, 86, 93, 95, 107
Stanford Graduate School of Business executive program, 170
Stanford University, 217
Stoehr, Richard, 164, 166-167, 169, 171, 173, 184
Stone, Gary, 89, 90
Stott, Harold, 22-23
Strala, Louis, 227
Sulphur Bank Mine, 85
Swent, Langan W., 199-200

taconite ore processing, 138-140
Tartius, Laurie, 217
technical review panel, 93-100, 104-107
Thermal Power Co., 58
Thompson, Jack, 80, 182-183, 193-195, 200, 273-274, 283-284, 287, 294
Thompson, Linda, 274, 284
Thompson, Twyla, 72-73, 77, 90, 92
Tindell, Avery, 93, 95, 104-106
Tindell, Grace, 244
Trefethen, Eugene, 156
Trefethen winery, 222
Truitt, Glen, 33, 39-40, 49-50, 53, 57
Twin Peak Mine, 3

Union Oil Co., 58
Unit Rig trucks, 147
United Mineworkers, District 50, 127-128
United Way, 269
University of California, Davis, 87, 91-92, 96
University of California Extension, 221-222
Upper Napa Valley Asssociation, 224-225
Utah International, 159

Vacaville, CA, 262-263
Vallejo Quicksilver Mining Co., 8
Vesper, Howard, 183-185

Washburn, Bryant, 90
water quality concern, 83-85, 143-145, 160-161
Wenzel, Jack, 15-16
White, Bob, 233
White, Ed, 4-5
Wide Awake Mine, 54
Wilder, James William ("Bill"), 77, 177-178, 200, 297-299
Wilkes, Jay, 287, 289
Williamson Act, 72, 91-92
Wilson, Charles, 52
Woodland Daily Democrat, 244
World Gold Council, 203-206
World War II and mercury miners, 37
Wyatt, Shelford, 90-91

Yolo County planning commission, 87-90
Yolo-Solano Air Quality Management Board, 96
Yuba College, 270, 294
Yudnich, Joe, 28

Eleanor Herz Swent

Born in Lead, South Dakota, where her father became chief metallurgist for the Homestake Mining Company. Her mother was a high school geology teacher before marriage.

Attended schools in Lead, South Dakota, Dana Hall School, and Wellesley College, Massachusetts. Phi Beta Kappa. M.A. in English, University of Denver. Assistant to the President, Elmira College, New York. Married to Langan Waterman Swent, mining engineer.

Since marriage has lived in Tayoltita, Durango, Mexico; Lead, South Dakota; Grants, New Mexico; Piedmont, California.

Teacher of English as a Second Language to adults in the Oakland, California public schools. Author of an independent oral history project, Newcomers to the East Bay, interviews with Asian refugees and immigrants. Oral historian for the Oakland Neighborhood History Project.

Interviewer, Regional Oral History Office since 1985, specializing in mining history.

166[illegible]

U. C. BERKELEY LIBRARIES

C063544921